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New DBS Chief

Walter E. Duffett, 46, will shortly be named Dominion Statistician to succeed Herbert Marshall, soon to retire. As Canada's number one statistician, Mr. Duffett will guide the work of some 1,400 civil servants who collect and analyze the industrial, financial and population statistics that tell Canadians how the national pulse thumps. Mr. Duffett—one-time assistant chief of the Bank of Canada's research department—steps up from his post as director of the Department of Labor's economics and research branch.

THE NATION'S BUSINESS

Not Getting Enough New People This Way

Canada is today enormously dependent on imported skills; on the fruits of education which new Canadians have brought with them from other countries.

That is a solid and unarguable fact which emerges from The Financial Post's continuing study of Canada's skilled manpower problem.

Today's skilled manpower shortage would be very much worse than it is if we had not been able to attract from other countries so many university graduates and trained craftsmen.

It is true that the number of young Canadians reaching college age and working age will soon be increasing rapidly. They will help meet our farther-in-the-future needs.

But for the here-and-now needs the new Canadian is an enormously important figure. And the unhappy fact is that, even with our best efforts, we shall for years to come want and need a bigger flow of educated and trained immigrants than we will get.

Policy Needs Revising

There are two reasons for this:

First: economic conditions in those parts of the world where we are likely to find people who will do well here have been improving greatly. The incentive to move is very much less now.

Second: There is much to commend in Canada's immigration policy, but, as it has been applied in recent years, it has got far too deeply tangled in politics and bureaucracy.

Here is how: In recent years, Canadian immigration policy has been governed by "The Tap Theory"—the theory that a government can keep turning the tap on and off, a little more or a little less, to adjust the inflow of people to meet precisely the nation's immediate need for certain specific types of useful manpower.

The politicians get into this because they listen for the tiniest whimper from the tiniest pressure group. They also have their eyes and ears constantly scanning the reactions to all immigration of the labor unions which, in their turn, have big batteries of people who hope to make big fellows of themselves by writing as many letters of protest as they can think up subjects for.

With the politicians so fearful of this business, it is inevitable that the officials of the immigration service let caution and fussiness take the place of courage and enterprise which, in view of the urgent national need, this job requires.

The reality is that this country needs a lot of people and there aren't currently very many people of the kind that will do us good who want to come here.

Not Pounding at Our Doors

It is utter delusion for smug Canadians to think there are millions pounding at our gates for admission.

But with our Tap Theory of immigration we aren't by any means making the best of the limited opportunities that we have.

The family's decision to migrate is for it the product of an immense turmoil of mind and spirit. Closing out a home, giving up a job, spending a substantial amount of savings, leaving the accustomed people and things in exchange for a big new bundle of uncertainties and problems (probably including language) involves psychological commotion of the first magnitude.

Canada's on-and-off immigration scheme presupposes that the family that was refused entrance a year ago because somebody thought that at that time Canada had enough plumbers or electrical engineers may now, a year later, still be serious applicants.

That is just total blindness to the realities of how human beings function. An immigration turn-down once will, in the great majority of cases, mean that the family closes the question of migration to Canada with finality.

For Canada to think that, after a turn down, the foreign family continues to be all steamed up in favor of making the momentous move is just nonsense.

The fact is Canada needs a big flow of new people just as much as it needs a big flow of new capital and big export markets. This need has got to be recognized and our twitchy immigration policy needs to be replaced with something realistic and courageous.

* * *

There's Been a Big Change

The first bulletin of the new 1956 census reveals a sharp rise in the urban population and another drop in that based on farms. This, of course, was the point of undertaking a five-year census instead of waiting until 1961 to count noses again. It's obvious that rapid changes are taking place within this country, and it's important to know, in detail, just what those changes are.

Firms doing business across Canada, or contemplating expansion to new centres, will want to have a look at this first bulletin, which deals with about 500 towns, cities and villages.

There is something to be said for looking at these figures without being distracted by the record of growth in the largest centres which will be dealt with in later bulletins.

For some lines of business it may be much more important to know that certain medium-sized and smaller cities are growing sharply, too. Kitchener, for example, rose from under 45,000 in the 1951 census to well over 59,000 in 1956, Lethbridge from 23,000 to over 31,0000, Kingston from 37,000 to almost 48,000 and Dartmouth from 15,000 to over 20,000.

A broader, smoother expansion may be the next stage of Canadian development. The economic opportunities outside the major centres may be the ones to watch. In this situation, the new census figures will be an extremely valuable guide.

PREMIUM PRICES

U.S. Guano Venture New Canadian 'Find'

New Pacific Will Mine Bat Guano From Grand Canyon's Sheer Cliffs, Building Fertilizer Market, Opening New Pharmaceutical Industry

By RAY MAGLADRY

Mining prehistoric bat guano from the walls of Arizona's Grand Canyon will give a Canadian company a premium price for raw material for the pharmaceutical industry.

It's North America's only known supply of high nitrogen guano, valuable as a fertilizer but still more precious in making a range of body-building pharmaceuticals.

The guano was deposited some 500,000 years ago by animal-eating bats who frequented caves in the Grand Canyon.

Its hazardous recovery from the almost-sheer canyon walls is only one operation arising from the many-sided interests of **New Pacific Coal & Oils Ltd.**

New Pacific, in stepping out as a holding company, also is:

- Creating a town of 7,500 persons on formerly bare prairie in Alberta west of Edmonton.
- Organizing a utilities operation to supply water, light, power and gas to the new town, New Hinton.
- Participating in a $35 million pulp mill adjacent to the townsite.

Once active in Alberta coal mining and oil refining, New Pacific is developing its diversified program through subsidiaries and participation in other companies.

Frank E. Ruben, active in Alberta mining and oil for many years, heads New Pacific. He is also president of **North Canadian Oils Ltd.** and is chairman of **North Western Pulp & Power** which is operator of a $35 million pulp mill project for North Canadian and **St. Regis Paper Co.**

New Pacific's other directors include:

Frank C. Finn, vice-president, also director of North Canadian; C. P. Hotchkiss, who is president of **Liquifuels Ltd.** and has other fuel interests; and George C. Knowles, Toronto investment broker who is connected with various milling and oil firms.

Company's First Move

New Pacific made its first big move as a holding company some three years ago when it turned over 6,000 square miles of Alberta timber leases to North Canadian Oils in exchange for one million shares. It sold all but 350,000 shares to meet liabilities, leaving it a 7.4% interest in North Cana-

(Continued on page 8, col. 1)

Economy Shows Strength In Boom in Durable Goods

OTTAWA (Staff) — The buoyancy of Canada's durable manufactures is regarded here as one of the most encouraging signs of 1956. Their increase in output, compared with 1955, is well ahead of durable manufacturing industry in the United States. It also gives them, for the first time in years, a faster growth of output than Canadian mining.

These calculations are all pre-steel-strike. The latest available figures are for June and the first half of the year. But the comparisons may remain equally favorable for the rest of this year, especially since the steel strike should have less effect on Canada's heavy manufacturers than on those of the U. S.

The first half year's production figures, only just available in seasonally adjusted form, are seen here as an answer to two anxieties which had been expressed about Canadian industry:

(1) That the very heavy rate of imports was damaging Canadian manufacturers (FP, Sept. 1).

(2) That the rapid growth of manufacturing inventories in the first half-year was a danger sign.

Best figures from the manufacturing point of view are these:

Deseasonalized indices of production volume here and in the U. S. show:

—In the first quarter of 1956 U. S. nondurable manufacturing output increased by 9.5%; ours by 7.6%.

—In the first six months of the year, output grew by 6.5%; ours by 8.2%.

—In the month of June alone, the U. S. increase over last year was less than 1%; ours was 10.4%. Our rate of output had caught up and shot well ahead.

Making the same comparison with Canadian mining output:

—The deseasonalized index in the first quarter showed mining with an increase 2½ times

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Home Builders Go To Market Launch National Sales Drive

By CLIFFORD FOWKE

The biggest merchandising drive ever organized by Canada's home builders will get off to a flying start next week.

That's when more than 275 model homes of various types and price ranges will go on display in 11 cities, backed by a national promotional and advertising campaign.

The trans-Canada new homes display is the feature of national home week, organized by the National House Builders Association with the co-operation of affiliated local associations. And, perhaps indicative of the greater awareness among builders of the need to go out and sell their new houses is the fact that the number of local associations participating this year has tripled. Last year, only four affiliated associations put 100 model houses on show. This year eleven locals will display.

Competition for house sales has increased sharply this year and

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Royran, Cliff Merger Starts Giant Project

By FRANK KAPLAN

For further details, see page 37.

The mushrooming Chibougamau copper mining camp this week reached another major milestone with plans announced to merge two of the area's major properties in a development project which may cost $30 million to $40 million.

And, if the merger and other plans are successful, the combined operations of several potential mines could result in a mill with a daily capacity of 7,500 to 10,000 tons — the biggest in the Chibougamau camp and one of the largest copper producers in Canada.

This project could provide jobs for about 1,000 people.

These Chibougamau camp developments are being spearheaded by the same financial interests participating in the development of what promises to become a giant integrated copper mining-

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AVOIDING CANADA

Which Way U.S. Tariffs? Committee To Start Probe

Special Correspondence

WASHINGTON — A Congressional committee opens a full-scale hearing Sept. 17 on U. S. tariff and trade policies.

The 11-day hearing by a House Ways and Means Subcommittee will "conduct an investigation and study of all aspects of our customs, tariffs, trade agreements authority and trade agreements entered into thereunder."

After the subcommittee winds up its Washington hearings and makes sufficient political capital out of them for the forthcoming elections, it will move to Europe to see the other side of the coin.

The European hearings, however, will come after the election. There is no plan to hold hearings in Canada, which sells more to and buys more from U. S. than any other country in the world.

Democrat Hale Boggs of Louisiana, a liberal-minded Congressman, will be chairman of the hearing.

The Ways and Means Committee of this Congress has been comparatively liberal on trade legislation in the past two years, far more liberal than either the full House or Senate or the Senate Finance Committee.

Consequently, observers here expect this committee hearing will follow suit and come up with some liberal trade legislation suggestions.

The committee will select for study and review typical cases involving efforts of domestic industries to secure relief from import competition.

It also will study the "operation, adequacy, and effectiveness" of various avenues of relief such as the escape clause, the peril point and national security provisions.

Liberal But Political

Democrats in Congress, while supporting liberal trade legislation, have recently claimed the administration has failed to help domestic businesses affected by import competition.

Their thinking runs not so much in the direction of more trade restrictions, but rather in the direction of federal aid to affected industries.

Foreign Holdings Triple, Pay Half Our Trade Debit

OTTAWA (Staff)—If Canadians go on selling stocks and bonds to foreigners at the pace of this spring, this alone will pay for half the mammoth deficit on current trade and services. We were selling at a rate three times greater than any previous year.

With our foreign spending running at an annual rate of about $1.5 billion above our foreign earnings, we've been selling out Canadian stocks and bonds at an annual rate of about $800 million.

In one quarter — in the three months of April, May and June this year — we incurred larger foreign liabilities, in the form of Canadian equities and bonds, than we accepted in the whole of 1955, 1954, 1953 or 1952, or any year before 1950.

The only postwar years in which we sold more Canadian securities abroad than we did in these three months of this year were 1950 and 1951. And there wasn't much in it then. Spread over a full year, this spring's rate was three times 1951's record.

The inflow of foreign capital which we got from selling Canadian obligations on this tremendous scale is still only half the total inflow.

To match the rate of current deficit which we were running, we must have brought in about as much again in other forms.

By this prodigal borrowing or sale of assets we get the present advantage of expansion on a scale which threatens us seriously with

(Continued on page 8, col. 3)

Wanted: Skilled Help

Open Door Wider To Get Skillpower

Canada's acute shortage of skilled manpower has spotlighted our very heavy dependence on the know-how of new immigrants.

This exclusive report in The Financial Post's current series describes . . .

- **How we got a record proportion of skilled workers among 1956 immigrants.**
- **How the entry program for the coming winter has been widened.**
- **And how we are hoping to attract more American immigrants.**

By MICHAEL BARKWAY

OTTAWA (Staff) — Canada is going to explore the possibilities of attracting more immigrants from the U. S.

A winter immigration program, usually restricted in the most drastic fashion, will aim at keeping up the flow of skilled and professional workers

The 1956 immigration effort has already increased the skilled workers to a record proportion of the total.

These are the highlights of the current immigration picture.

They are encouraging in the light of our continued heavy dependence upon new arrivals to supply professional, technical and manual skills for Canadian industry. But in relation to the opportunities waiting unfilled they promise at best to hold the line.

On its present scale, immigration provides an invaluable panacea, not a long-range cure.

What would we do without it?

Half Our Engineers

This year, again, at least half our new engineers will probably be new Canadians.

In the first six months 714 qualified engineers arrived as immigrants. Graduations from Canadian universities were 1,700. But on past form you can expect at least 500 Canadian engineers to emigrate to the U. S. (That was the figure for 1954-55, last complete 12 months available.)

If the flow of immigrant engineers can be maintained in the second part of this year, it is wholly likely that they will add more to our engineering force than the net addition of Canadians.

This is only one sign of the increasing concentration of our immigration program on professional and skilled workers.

Total admissions for the first half of the year are about 20% above the poor 1955 record (12-month total: 110,000). They are still lagging behind 1954's 154,000 annual rate.

But the composition has been switched.

Professionals and skilled workers are coming in this year at a better rate than 1954.

Launch Drive in the U.S.

New efforts to find suitable immigrants, which are being launched this fall, include the first serious examination of possibilities in the U. S.

Two experienced immigration officers are being sent to the U. S. to weigh up the chances of a campaign to encourage Americans to migrate north of the border.

One of them will go to the New York area. Chicago and Los Angeles are now being considered as the location of the second enquiry.

This is not yet a government campaign to recruit American immigrants. But if the reports are promising it might be the first step in that direction.

Ottawa's officers will examine all the records at the Canadian consulates of Americans who have ever expressed interest in moving to Canada.

They will enquire into the local labor situations and form a judgment about the kind of Americans who might migrate. Their reports will provide a guide as to whether it would be worth starting a promotional effort, and if so where it should be directed.

Man to Spain

Another new move takes a Canadian immigration officer for the first time on permanent assignment to Spain. He will be attached to the embassy in Madrid and will establish the first systematic local selection of Spanish immigrants.

The Madrid officer will also cover Portugal, where very careful pre-selection is already carried out by the Portuguese Government.

All that is needed is a periodic visit from Canadian officials to examine emigrants who have already been screened and checked by their own government.

Four other special officers of the Immigration Department are also being sent to the U. K. and Europe to try to recruit more farm workers.

This is the class of immigrant who is most badly needed in all parts of Canada to replace the Canadians who steadily drift to the cities. It is the class in which this year's official efforts were least successful.

The new agricultural immigration officers are to be farm experts. Three of them will work in the U. K. and Ireland and one in Europe — which seems a curious distribution since several European countries offer much better prospects of recruitment than the U.K.

How Winter Program Works

Here is an outline of the program for the coming winter and the record achieved in the first half of this year.

Ever since Walter Harris, then the minister responsible for immigration, imposed a winter cut-off after the seasonal unemployment of 1952, immigration officials have been instructed to maintain drastic restrictions on any new immigrants who can't arrive between April and October.

It makes obvious sense not to bring new immigrants at a time when their trade is in the trough of seasonal unemployment. But sometimes the winter cut-off has been applied, it seems to some close observers, as a restrictionist device without much relation to seasonal patterns. It has given much help to the people who lean to restriction anyway.

This year the list of occupations admissable between November

(Continued on page 7, col. 1)

THE SIGNS AND PORTENTS

YOU NEVER KNOW. Story about late Izaak Walton Killam says he decided to leave $5 million each to Dalhousie and Mount Allison universities and instructed his lawyer to draw up papers. This was done just before lawyer became ill and died. In the confusion, Killam didn't get around to signing before his own death six months later.

* * *

EARLIER GUESSES as to value of the Killam estate were $140-145 million; succession duties $60 million. But advance in value since Killam's death has more than covered death taxes leaving present value of residue around $150 million. Killam often said succession duties would do a good job of distributing his wealth; hence his disinterest in specific philanthropies and education.

* * *

KILLAM'S WIDOW and chief heir is said to be considering a foundation but has spent summer in and around New York and plans to winter in Monte Carlo after World Series is over. Believed no foundation yet established.

* * *

CANADA MAY GET some cheaper British imports as result of new British law hitting restrictive trade practices. Initial target: Maze of trade associations said to carve up territories and rig prices. Price drops possible in autos, tires, dental supplies, some electrical products.

* * *

OTTAWA'S PUBLIC WORKS program will fall far below estimates for present year. Reason: Some government tenders are not getting bids at all. Others bring bids so far above the Government's estimates that unless project is considered urgent it is simply postponed.

* * *

OTTAWA IS thinking of building two more but smaller icebreakers. They're needed in the St. Lawrence during the summer for DOT maintenance duties while the large icebreakers go north to supply Arctic stations. Estimated cost: $4 million each.

* * *

A QUOTE WORTH noting: "Canada has for years prided herself on being one of the world's major exporters, but there is one commodity . . . which we should make every effort to keep at home—the talent and energy of young Canadians."—A. F. Anderson, treasurer, **Paton Manufacturing Co.**

* * *

RUSSIAN ECONOMY has been growing three times as fast as that of U. S. but rate, achieved by short-changing farmers, is slowing. Source: Official USSR statistical handbook, first since '39, which also indicates huge war casualty list (20 million higher than thought) now bringing manpower squeeze.

* * *

CHEAPER ANIMAL FEEDS are coming, made from old newspapers, wrapping paper. Paper doesn't need much processing, because, like hay, it's mostly cellulose; ink and sizing apparently have no effect. Researcher reports that cows really enjoy newspapers shredded and mixed with molasses.

* * *

WERE POLITICAL CONVENTIONS turkeys on TV? Sindlinger & Co., Philadelphia research concern, said they were; said study of 14,000 persons showed only 27% average use of sets during rallies. Not so, TV networks retorted, producing figures purporting to show 45% use (which is average for time of year).

* * *

TERRITORIAL WATERS fishing trouble may be solved by Ottawa on an interim basis by barring fishermen from all countries without treaties. This would reduce problem to just the U. S. and France, prevent addition of Russian fishermen. Stumbling block: Our good relations with U. K.

* * *

CABINET SUBCOMMITTEE will look into situation of $25-million Canadian rubber footwear industry, threatened with total eclipse by low labor cost imports from India and Hong Kong. Imports (at $1.46 a pair v. $2.86 for home product) accounted for 62% Canadian sales first half '56, only 36% same period last year.

* * *

NEED A NEW wristwatch? Won't be long till you'll be able to get an electric one, run by bean-sized battery changeable annually. By 1975, there'll be atomic wristwatches. Nuclear batteries will be safe, good indefinitely. Present watch faces will be replaced by "dial screens" on which minute-hour markings will light up. No tick-tick either.

* * *

U. S. SALESMEN for manufacturing companies upped their takes an average 3½% between spring of '55 and this, American study shows. Three quarters of 14,000 surveyed earned between $5,000 and $15,000. No such Canadian figures available; however, average weekly industrial wage here went up $3.08 to $63.84 in period.

* * *

CANADIAN MARINE engineers will be turned out by new five-year theory-practical training course set up by Transport Department, shipyards, provinces, to end with diploma comparable to British "National Certificate," world-over success passport in field. Ship execs here now mainly trained elsewhere.

Stock Market Highlights

Industrials

Canadian industrial stocks turn briskly higher in reversing the almost steady August decline. Key issues in demand as buying sparked by advancing Wall Street. For details on some of the stocks that moved, see page 4.

Manager of the MacNab investment account reports purchase of five shares of **Consolidated Mining & Smelting** to round out holdings to 50 shares. For a full report on this exclusive Post portfolio, see page 4.

Latest purchase by the **Beaver Club** is five shares of **British American Oil.** For a full report on the standing of this typical investment club, see page 10.

Mines and Oils

Opemiska Copper climbs ⅝ to $16 as semiannual report shows earnings better than double last year's first half.

New Royran and **Copper Cliff** up mildly to $4.05 and $4.15 respectively as companies draw up plans to merge completely in **Copper Rand.**

Mild interest appears in uranium leaders with **Gunnar** climbing ¾ to $19½, **Northspan** rising 40c to $4.90 over the week, and **Consolidated Denison** adding ¼ at 10½.

The businessman chooses stripes!

Birkdale

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Folders describing these courses are available on request from University Extension, 65 St. George Street, Toronto 5. For information by telephone call WA. 3-6611, Locals 304, 308, 526, 527, between 9 a.m. and 5 p.m., Monday to Friday.

COUNSELLING AND PRE-REGISTRATION will take place from 7:30 p.m. to 9:00 p.m. on Tuesday, September 18; Wednesday, September 19; Wednesday, September 26; and Thursday, September 27 in Room 102, Mechanical Building, east side of King's College Road, north of College Street.

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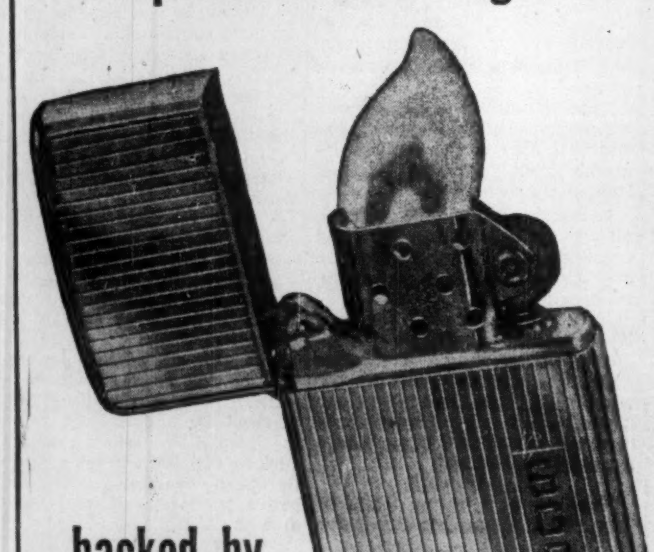

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Trend of Business

Living costs rise for third month in a row. At the beginning of August the consumer price index registered 119.1, up 0.5% from July, 2.3% from August a year ago. Rising food prices are the major cause of the increase. Rents, home ownership costs and prices of personal service items are also up slightly. Only clothing prices currently show any inclination to fall.

Iron ore shipped from Canada's mines topped 2.8 million tons in July for an impressive 18.2% year to year increase. First seven month shipments ran 41.3% higher than a year earlier to total over 9.2 million tons. Of this, 8 million tons were exported (+36.2%) while 1.2 million tons were used by Canadian consumers (+91.4%).

With the economy going full tilt, labor income hits new high. The bill for wages and salaries during June mounted to $1,215 million, up 3.9% from the month before and 11.5% from a year earlier. First half year labor income tops $6,771 million for a 10.6% year to year increase. Half of this rise due to employment increases.

By industry groups, first half year labor income looks like this: Agriculture, forestry, fishing, mining $459 million (+9.8%); manufacturing $2,201 million (+10.9%); construction $486 million (+22.4%); utilities, transportation, communication, trade $1,749 (+9.3%); finance and services $1,639 million (+8.9%); supplementary labor income $237 million (+9.7%).

Gold mines holding their own. During June, output was 1.2% larger than a year ago bringing first half year production to 2,229,954 fine oz., for a 0.7% gain this year. In the January-June period, increases were made in Newfoundland, Nova Scotia, Ontario and NWT. Smaller output is reported for the Prairies, B. C. and the Yukon.

July wholesale prices stand 3.8% higher than a year ago. But during July the wholesale price index rose only fractionally from the June level of 226.5 to reach 226.6. This is in contrast to a year-long trend of month by month price advances. In July sharp declines in copper prices offset large increases in prices of vegetable and animal products.

Coal production gains continue. In July, output came to 840,000 tons, 7% more than a year earlier. This pushed first seven month totals to over 8.3 million tons for a 6.3% year to year increase. July imports were up to 2.5 million tons (+39.1%) bringing year to date imports to 11.7 million tons (+16.7%).

Reflecting the fast pace of mid-summer business, cheque clearings during August in Montreal and Toronto clearing houses were substantially higher than a year ago. Clearings reached $3,848 million in Toronto, 18.2% higher than a year earlier while in Montreal they topped $2,880 million, up 11.1%.

Trends in base metal production. In first half of this year, output of copper, nickel and zinc chalked up increases over year earlier totals, but lead production took a drop. Here is a breakdown: copper 174,568 tons (+11.3%); nickel 89,612 tons (+1.2%); zinc 215,640 tons (+2.3%); lead 92,367 tons (—12.6%).

Why cement is hard come by. Although production in June totaled 2.7 million bbls., 23% more than a year before, high demand pushed factory shipments to 3.3 million bbls. First half year output came to 13.8 million bbls., up 21%, but shipments at 13.2 million bbls., paced production by rising at a similar rate. Factory stocks at the beginning of July amounted to 1.5 million bbls., as against 1.3 million a year earlier.

Bridge, tunnel and ferry companies report net income up 15.8% last year, to reach almost $3.7 million. Close to 16.7 million motor vehicles crossed the border via these facilities, 1 million more than the year before. In all, drivers, passengers and pedestrians crossing by these means totaled 47.6 million, an increase of 1.7 million over the number in '54.

Major Weekly Indicators

	Latest Week	Week Ago	Month Ago	Year Ago
Department sales, % ch. from year earlier	*+9.0%	—2.3%	+6.1%	+4.5%
Carloading totals (cars)	98,866	92,255	95,339	85,357
Eastern Canada (cars)	60,561	59,705	62,195	57,189
Western Canada (cars)	33,305	32,550	33,144	28,168
Iron & Steel (mfd.) (cars)	1,582	1,615	1,405	1,273
Ores, concentrates (cars)	13,281	14,506	12,691	10,342
Base Metals (cars)	781	670	656	691
Lumber, timber, plywood (cars)	4,999	5,128	5,538	5,514
Cement	1,664	1,354	1,204	1,350
Passenger car prod. (no.)	239	96	7,104	3,898
Truck production (no.)	201	368	1,972	1,093
Bus. failures 4-wk moving av. (no.)	18.8	22.5	26.0	18.8
Chartered Bank				
Personal savings ($ millions)	5,914	5,920	5,893	5,665
Loans outstanding ($ millions)	5,307	5,308	5,303	4,323
N.H.A. mtge holdings ($ millions)	423	421	407	178
Bank of Canada holdings of				
Securities ($ millions)	2,376	2,357	2,386	2,334
Short-term govern. ($ millions)	1,015	999	1,034	1,185
Long-term govern. ($ millions)	1,334	1,327	1,305	1,804
Other Securities ($ millions)	12	22	32	56
Canadian dollars (U.S. cents aver.)	101.930	102.008	101.807	101.053
T.S.E. industrial index	491.15	489.02	505.29	447.88
Yield 114 stocks	*4.46%	4.44%	4.48%	4.11%
Bank Clearings				
Montreal ($ millions)	632	635	757	563
Toronto ($ millions)	820	903	980	776

*last week's data, latest available.

Facts by the Month

	LATEST MONTH AVAILABLE	One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE—				
In all industries (Index)	298.4	283.2	277.1	276.8
In factories (Index)	304.1	288.7	268.3	282.9
Total nondurable goods (Index)	261.1	245.0	244.0	248.7
■Food & bev. (Index)	274.2	237.6	229.2	265.1
■Textiles (Index)	193.0	175.9	189.1	190.6
■Clothing (Index)	153.4	157.6	160.1	140.6
■Chemical products (Index)	317.4	313.1	313.0	305.6
Total durable goods (Index)	371.4	357.1	352.4	254.1
■Iron & steel products (Index)	335.8	332.7	327.1	296.2
■Primary iron & steel (Index)	421.8	418.8	396.7	375.7
From mines (Index)	274.3	253.9	234.5	254.1
■Metals (Index)	154.0	146.4	129.1	145.4
■Nonferrous smelting, refining (Index)	285.4	261.3	239.7	254.8
■Gold (Index)	109.2	106.3	106.8	107.7
—From farms				
Hogs graded (000)	458	494	590	440
Cattle delivered (000)	138	136	160	127
Flour (Index)	136.7	142.1	139.3	137.6
—From sea				
E. Coast catch ($000)	8,549	7,771	8,218	7,562
W. Coast catch ($000)	3,163	1,670	507	1,816
—From forests				
Newsprint (000 tons)	536	554	518	508
Pulp (000 tons)	913	848	818	849
—In powerhouses				
Electricity (Index) (seasonally adjusted)	324.3	317.4	297.2	293.4
WHAT WE SELL—				
Retail sales ($ millions)	1,287	1,237	1,107	1,189
Dept. store sales ($ millions)	100	103	96	91
Wholesale sales ($ millions)	694	718	638	634
Mfrs. outstg. orders ($ millions)	2,725	2,815	2,845	2,559
Pass. car sales (units)	48,874	53,790	58,397	45,932
WHAT'S ON HAND				
Mfrs. inventories ($ millions)	4,498	4,455	4,428	4,097
Dept. store stock sales ratio	2.8	2.9	2.6	2.8
SPENDING, SAVING POWER—				
■Labor income ($ millions)	1,215	1,169	1,125	1,090
Dividend payments (Index) (annual rate)	303.4	301.8	301.5	253.8
JOBS—				
Persons with jobs (000)	5,789	5,647	5,499	5,586
Jobless seeking work (000)	102	117	165	150
Do (% of labor force)	1.7%	2.0%	2.9%	2.6%
CONSTRUCTION—				
Contract awards ($ millions)	380	398	381	309
FOREIGN TRADE—				
Exports ($ millions)	429	435	386	368
Imports ($ millions)	498	555	532	402
MONEY—				
Money supply ($ millions)	5,687	5,639	5,580	5,593
Cheques cashed ($ millions)	16,855	18,290	16,384	14,552
Life insurance sales ($ millions)	290	280	275	246
Notice deposits ($ millions)	6,340	6,329	6,399	6,184
Current public loans ($ millions)	5,298	....	5,183	4,193
PRICES—				
■Consumer price (Index)	119.1	118.5	117.8	116.4

Index based: production wholesale sales 1935-39=100; consumer price index, 1949=100; manufacturers' inventories outstanding orders Dec., 1952=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	462	379	3,171	+23.1%
■Primary copper (000 tons)	28.7	27.5	174.6	+11.4%
■Nickel (000 tons)	14.5	14.8	89.6	+1.3%
■Cement (000 bbls.)	2,762	2,253	13,791	+21.4%
Lumber (millions fbm.)	656	674	3,038	—2.7%
Lumber exports (millions fbm.)	300	396	1,577	—16.4%

■New item this week.

Date of issue for your file, The Financial Post, Sept. 8, 1956.

ANNOUNCING

Important appointments in Canadian Industry, Finance, Business and Government.

Amalgamated Electric Corp. (Toronto) — Philip Ryan, president of Cutler-Hammer Inc., Milwaukee, a director.

American Management Association (New York, N.Y.) — Arthur J. E. Child, vice-pres., **Canada Packers Ltd.,** first Canadian member, Finance Planning Council.

Anaconda American Brass Ltd. (New Toronto, Ont.) — opens district office, Canada Permanent Trust Bld., Vancouver, under Douglas B. Kay, as sales representative.

Barrett Co. (Montreal) — four sales appointments in Ontario: Frank R. Storen, central zone sales manager; A. E. Ryan, assistant sales manager for Western and Southern Ontario; R. N. Hogg, assistant sales manager, Northern and Eastern Ontario; J. C. Walden, special representative on Built-Up Roofing Products.

Bright's Wines Ltd. (Niagara Falls, Ont.) — E. K. Raham, treasurer, continues as assistant secretary.

British American Oil Co. (Toronto) — R. P. Hooper, manager products supply department, headquarters, Toronto.

Broadcast Operations Ltd. (Vancouver) — J. L. Sayers, manager Radio Station CFUN, Vancouver.

Campbell Soup Co. (New Toronto, Ont.) — K. J. Platt, assistant general manager of capital investments; E. R. Renouf, manager production and procurement; G. O. Kirk, sales manager; R. L. Baird, advertising manager.

Canada Packers Ltd. (Toronto) — George H. Dickson, a director and director of marketing.

Canadian Pacific Express (Toronto) — F. A. Doyle, general superintendent Eastern Lines, succeeding J. A. Waford, retired; K. H. Newinger, general superintendent, Toronoto Division (new position).

Collins Radio Co. of Canada (Toronto) — A. I. O. Davies, director of sales; E. H. (Ted) Edge, to general communications sales dedepartment, specializing in Microwave and Scatter Systems; A. C. Petrasek, sales manager, ground communications equipment.

The Country Guide (Winnipeg). — Lorne W. J. Hurd to editorial staff.

Crane Ltd. (Montreal) — J. D. Webb acting advertising manager.

Dow Chemical of Canada Ltd. (Toronto) — Arthur E. Saunders, manager Winnipeg Sales Office, replacing Ralph M. Ferguson, moved to head office as manager plastic sales division; Eric H. Horton of head office to be field salesman in Winnipeg replacing Mr. Saunders; Owen F. Elliott, manager new western sales office at Calgary, opened to serve Alberta and British Columbia directly; Gerry M. Baird of Winnipeg office to be field salesman at Calgary.

Liquid Carbonic Canadian Corp. and Imperial Oxygen Ltd. (Montreal) — L. S. Ferdon, president and general manager; P. F. Lavedan, chairman Liquid Carbonic Corp. in U.S. to be chairman both Canadian companies.

Marine Industries Ltd., Heating Division, (Montreal) — Jacques Gariepy, chief engineer.

Milton Brick Co. (Toronto) — S. J. S. (Syl) Apps, executive assistant to the president; David Green vice-president, production.

National Carbon Co., Division of Union Carbide Canada Ltd. (Toronto) — Gordon W. Patterson, vice-pres.

O'Keefe's Brewing Co. (Toronto)— Frederick B. Strong, public relations manager; Russell J. Bradley, personnel manager.

Philco Corp. of Canada (Toronto) — R. M. Dalton, product manager, appliances.

Philips Industries Ltd. (Toronto) — O. W. Rodomar, president.

Les Prevoyants du Canada, (Quebec, Que.), life insurance company — Gérard White, president; Aimé Déry, vice-president; Victor Morency, director.

Progressive Welder, Canada Ltd. (Chatham, Ont.) — E. J. Formhals, general manager.

Shell Oil Co. of Canada (Toronto) —C. F. Williams, sales manager, central division, succeeding J. P. Callum who becomes retail manager succeeding Val Dessoy, retired.

Sun Oil Co. (Toronto) — Maurice B. Parmelee, formerly office manager, general sales department of parent company to be secretary-treasurer and director; John C. Agnew to be assistant secretary-treasurer; Frank R. Markley resigns as director, but continues as vice-president.

You Need A New Topcoat!

You may not realise that you do, but you will as soon as you clap eyes on one of the finest collections of topcoats in Canada —at Simpson's, The Store for Men. Take, for example, this Crombie Sealskin, loomed in Aberdeen from the finest all-wool yarn. Pockets either slash or patch, and a choice of navy, grey, medium blue, or blue-grey.

Each, $75

Still undecided? Come in and convince yourself.

Simpson's

The Store for Men — Second Floor

Dept. 260

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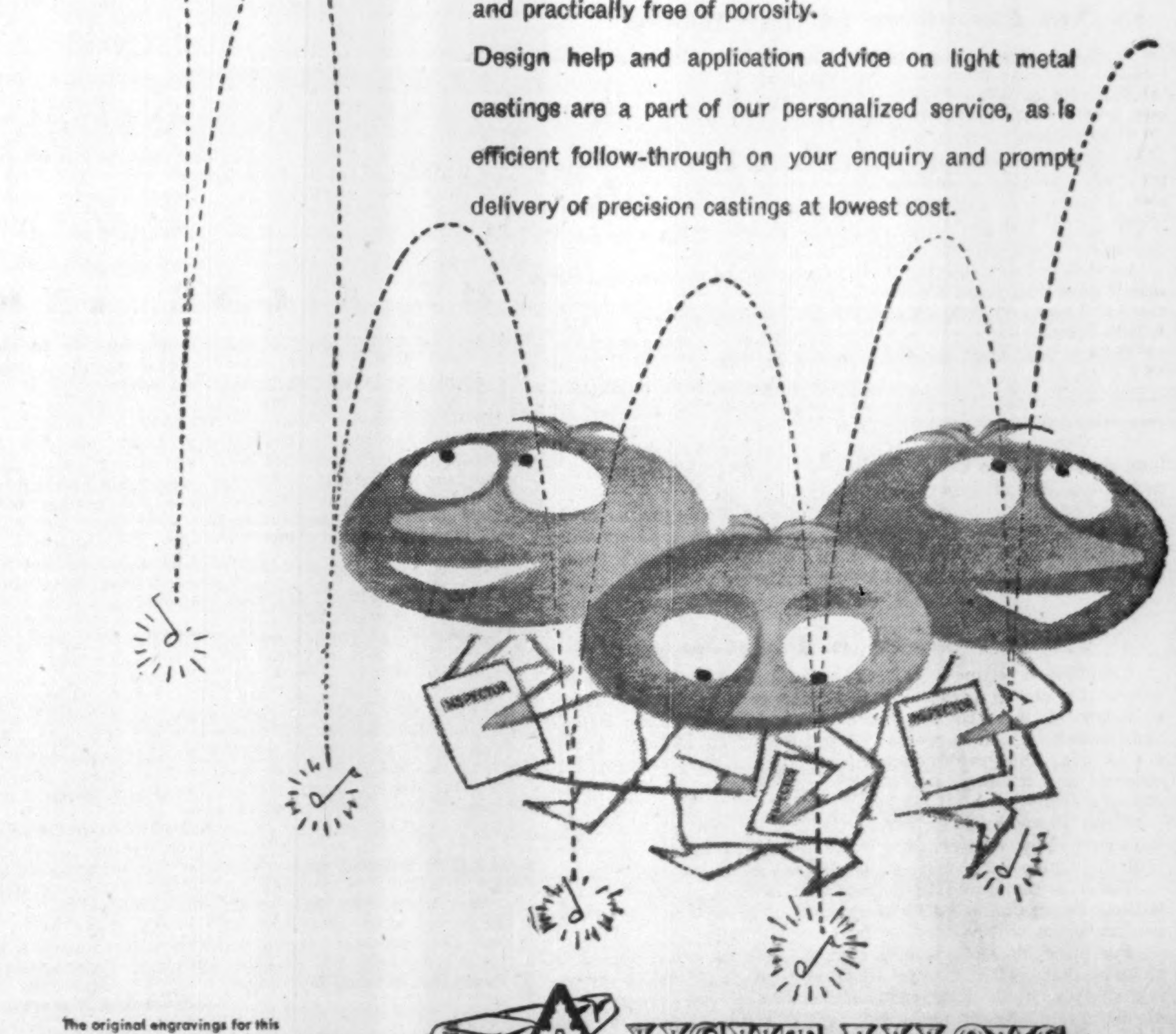

The original engravings for this advertisement were made on magnesium

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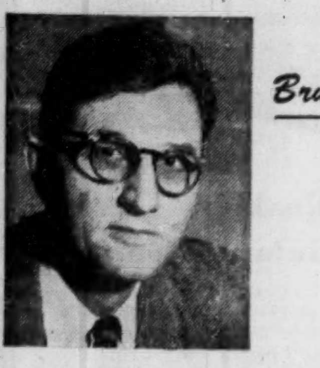
Will This Judgment Stifle Moral Yawns?



Bruce Hutchison writes about:

The Social Credit Shocker

By BRUCE HUTCHISON

VICTORIA, B.C. — The editors of The Financial Post recently asked an interesting question: Are the political morals of Canada deteriorating?

In British Columbia, where a repulsive election campaign is under way, the answer to this question is obvious. Political morals in Canada's third province have hit an all-time low under Social Credit which promised to lift them to an all-time high.

Now, I am not thinking here only of the Bennett Government and its snap election, called before the courts could consider charges of bribery against one of its former cabinet ministers. I am thinking more of the public's attitude toward this affair.

For nearly a year the public has known, in a general way, that Robert Sommers, former minister of lands and forests, has been accused of misconduct in awarding huge forest concessions to various interests. But the public has been strangely unexcited.

Thirty Years Ago Political Scandals Aroused Public Ire

Thirty years ago certain campaign fund scandals, comparatively minor and not touching any politician's personal honor, convulsed this province and destroyed the existing government.

In the early days of Confederation, the Pacific Scandal, involving sums of money that now look trivial, destroyed the Macdonald Government.

Nowadays it seems, out here at least, charges of the gravest nature have been greeted with something like a public yawn. But it is encouraging to see that the yawn has ceased under the frown of the courts.

These events do not concern British Columbia alone. They concern all Canada. They provide the clearest contemporary test of our political standards. Every Canadian who is interested in the business of the nation will therefore be interested in the moral clinic provided by the British Columbia election and by the sudden intervention of the courts.

In the first place, it must be understood that no opposition politician, so far as I am aware, and certainly no newspaper, has ever expressed any opinion on the guilt or innocence of Mr. Sommers. Comment on tha. question would be contempt of court since Mr. Sommers is sueing his accuser, David Sturdy, for libel and slander and the case is sub judice. The political morals of the Government and the duty of the press to discuss them are an entirely different matter.

The Sommers Affair Entered the Courts In a Curious Way

That matter entered the courts in a curious fashion and produced a notable decision in favor of the facts being made known throughout Canada. Let us get the facts straight.

When Mr. Sturdy, a Vancouver lawyer, appeared privately before Attorney-General Robert Bonner last winter and presented certain charges against Mr. Sommers, the attorney-general brushed these charges off as quite unworthy of his attention.

Later Mr. Sturdy appeared before a royal commission on technical forest problems and offered to produce his evidence. The royal commissioner, Chief Justice Gordon Sloan, refused to hear Mr. Sturdy saying his information was outside the commission's jurisdiction.

But for the first time the public learned that something serious was on foot.

While Attorney-General Bonner was ostentatiously uninterested, Mr. Sommers sued Mr. Sturdy for libel and slander, resigned his portfolio and told the legislature that he was the victim of a conspiracy among Liberal politicians and greedy timber interests bent on wrecking the Government's forest conservation policies.

The opposition parties demanded a royal commission of inquiry to study Mr. Sturdy's charges against Mr. Sommers and Mr. Sommers' charges against the alleged conspirators. Mr. Bennett flatly rejected that demand and thus confined the whole affair to the narrow limits of a personal libel suit. There was an all-night row in the legislature and the case dropped out of public sight.

Meanwhile two things were happening.

The Attorney-General Instructed the RCMP To Investigate, Report

Mr. Bonner instructed the Royal Canadian Mounted Police to investigate his ex-colleague, Mr. Sommers, and Mr. Sturdy's charges. The police report has been submitted to Mr. Bonner but strangely never made public.

Secondly, Mr. Sturdy filed his statement of defense in the libel suit. It contained his charges in detail and recited a series of bribes allegedly received by Mr. Sommers. This statement of defense was a court document, obtainable by anyone from the Vancouver Court House on the payment of a nominal fee. But it was not published in the press.

The public at this point had no way of knowing the nature of the Sturdy charges, not even that bribery was suggested, and the public didn't seem to care. The case would come to trial in the autumn, Mr. Sommers' position would be clarified in due time and the delay in the preliminary proceedings seemed to threaten no harm to anyone.

The Court Schedule Did Not Suit Mr. Bennett's Politics

That schedule in the courts did not suit Mr. Bennett in politics. Without warning and without a single word of excuse he called his snap election for September 19, before the Sommers case could be tried.

Even this attempt to snatch a favorable election verdict before the voters could hear the evidence on the Government's integrity did not appear to alarm the public unduly. Mr. Bennett's victory at the polls was generally taken for granted anyway.

Then came one of those incalculable episodes that often mark and sometimes redeem the democratic process.

Deane Finlayson, leader of the bankrupt Conservative party, announced that he would read Mr. Sturdy's statement of defense from the public platform. He was formally warned by Mr. Sommers' counsel that if he did so, he would be brought before a judge and cited for contempt of court.

Nevertheless, Mr. Finlayson read the statement of defense at a political meeting, though he offered no comment on it. The Vancouver Sun and The Herald and the Victoria Times printed Mr. Finlayson's speech, believing that it was not in contempt of court and that failure to print it would be contempt of the electors.

Mr. Justice Wilson Summoned News Men And a Conservative

A few days later Mr. Finlayson and the publishers of the two Vancouver papers were called before Mr. Justice J. O. Wilson, a veteran judge of the Supreme Court, to answer Mr. Sommers' complaint that they had acted in contempt of court and prejudiced the trial of the libel suit.

After hearing two days of argument, Mr. Justice Wilson delivered a judgment that will live long in the annals of Canadian law.

He held that no contempt had been committed; that Mr. Finlayson had a perfect right to quote, and the newspapers to report, Mr. Sturdy's statement of defense; that the libel trial had not been prejudiced; that Mr. Sommers' decision to seek re-election to the legislature made a public discussion of his record in office inevitable; and that the courts of Canada must always consider carefully the rights of a free press.

Mr. Justice Wilson added that, in declaring his innocence and condemning his accusers, Mr. Sommers had wielded both " a whitewash brush and a tar brush." (Mr. Sommers, in fact, is the only person who has offered any comment on the libel suit and he has thereby earned a stinging rebuke from the judge.)

Court of Public Opinion Can Make Up Its Own Mind Now

That is the record of a fascinating study in Canadian politics to date. It is also, I submit, a fascinating comment on the political morals of British Columbia. While no comment has been offered here or anywhere else on Mr. Sommers' personal honor (except by himself) in a case before the courts of law, the court of public opinion can make up its own mind about the political honor of the Social Credit party in office.

Unfortunately, however, it seems impossible to arrange a fair trial of the Government before a chaotic court of public opinion because the solid Social Credit vote faces an ill-led, disorganized opposition split three ways and thus almost certain to elect a government majority in the next legislature.

All the same, the morals of the British Columbia public are not, I think, as low as this record would seem to indicate.

A public lulled, dazzled and bemused by a great boom at last is disturbed—too late, no doubt, to endanger the Government at this election but perhaps not too late to make the Government mend its ways and certainly not too late to reveal the morality of Social Credit in the full view of the Canadian people.

For these reasons the abstract question asked by The Post about the condition of political morality in Canada is timely and relevant. In the end it will prove to be far more important than any concrete question of public policy.

* chris yaneff
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(Advertisement)

What's The Cure For Backache?

What do doctors know about the cause, treatment of backache? Will exercise help . . . or is rest better? What can you do to avoid getting a backache to begin with?

September Reader's Digest brings you facts about this common ailment — long shrugged off by doctors but now treated as a serious condition. Get your copy of September Reader's Digest today: 41 articles of lasting interest including the best from current books, magazines, condensed to save your time.

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Farm Equipment Makers Extend Plant Shutdowns

Canadian farm implement makers are keeping some of their plants closed in an effort to reduce inventories.

At **Cockshutt Farm Equipment Ltd.**, in Brantford, the shutdown originally scheduled for the three-week August vacation period, has now been extended to Oct. 1.

In Hamilton, Ont., the plant of **International Harvester Co.** did not re-open Sept. 4 at the conclusion of the two-week holiday. Instead, it was announced that the plant would remain closed until Oct. 4, and that not all of the company's 1,100 Hamilton employees would be rehired.

A spokesman blamed cancellation of farm implement orders from the U. S. for the extension of the shutdown.

Plants of **Massey - Harris - Ferguson Ltd.** in Toronto and Brantford are also idle. They were closed at the beginning of August for vacations and inventory - taking. Re-opening date will apparently depend upon the speed with which company reduces its stock of finished goods.

Despite the shutdowns, there has been some evidence of improvement ahead.

Cockshutt's Canadian and U. S. sales have been about 3% to 4% higher in the 10 months ended Aug. 31 than in the corresponding 1954-55 period. There has been a substantial upsurge in Canadian sales within the past few weeks, a company official told The Financial Post.

However, overseas exports of Cockshutt implements have been from 10% to 15% lower in the fiscal year that began last Nov. 1. Its major overseas markets are in Central and South America; sales to Argentina have shown the sharpest decline.

U. S. sales of M-H-F have been substantially lower this year, although consolidated sales throughout the world are expected to be higher (FP, Aug. 18).

Increasing Production

Company is increasing its production of industrial equipment such as tractors and front-end loaders, announced in June. Plants in Detroit, Racine and Kansas are now manufacturing the industrial lines. M-H-F has closed out its production of dairy equipment for farmers.

There are disturbing signs in the previously strong European market. Reports from Europe indicate that this year's wheat crop may be reduced by excessive rain. Wheat standing in the shock has started to mildew and sprout, and harvesting has not begun in many wheat-growing areas of Europe, Germany and Switzerland.

Europe is a major export market for Canadian farm equipment makers.

Auto Production

	Wk. End. Sept. 1	To Date 1956	To Date 1955
Am. Motors:			
Hudson	....	1,156	....
Nash*	....	2,907	....
Total cars	....	4,063	2,818
Chrysler:			
Chrysler	....	5,042	....
Desoto	....	1,398	....
Dodge	....	34,988	....
Plymouth	....	30,237	....
Total cars	....	71,665	63,769
Dodge	....	4,580	....
Fargo	....	4,051	....
Total trucks	....	8,631	6,503
Cars, trucks	....	80,296	70,272
Ford:			
Ford	....	52,248	....
Mercury	....	6,251	....
Meteor	....	24,018	....
Monarch	....	6,693	....
Total cars	....	89,210	92,659
Ford	....	15,009	....
Mercury	....	6,014	....
Meteor dlvy.	....	496	....
Total trucks	....	21,519	19,068
Cars, trucks	....	110,729	111,727
G.M.:			
Buick	....	14,370	....
Chevrolet	....	46,626	....
Oldsmobile	....	7,855	....
Pontiac	....	32,628	....
Total cars	....	101,479	126,516
Chevrolet	....	16,304	....
GMC	....	11,446	....
Pontiac dlvy.	....	1,048	....
Total trucks	....	28,798	28,064
Cars, trucks	....	130,277	154,580
International:			
Trucks	261	10,973	5,993
Stud.-Pack.:	239	6,624	6,729
All cars	239	273,041	292,249
All trucks	261	69,921	59,870
All vehicles	500	342,962	352,119
Last week	464	....	....
Last year	4,986	....	....

K. E. WALKER

has been appointed district sales manager, pipe division, Toronto, of Canada Iron Foundries Ltd., succeeding George M. Gass, retired.

Celanese Corp. Net Drops 14%

Celanese Corp. of America, New York, consolidated net profit for the half year ended June 30, 1956, was 14.3% lower at $6,185,602 ($7,221,797 a year earlier), equal to 65c (83c) per share.

Net profit for the quarter ended June 30, 1956, was 17.7% lower at $2,723,836 ($3,130,483), equal to 26c (36c) per share.

Celanese is expanding facilities to meet demand for its new Arnel fibre which exceeds production. Market development now assures its commercial success and place as a basic fibre, says President Harold Blancke.

The new chemical plant at Point Pleasant, W. Va., and new film casting plant at Belvidere, N.J., have come into production and should aid in expanding markets, it is stated.

Celanese has acquired from **Celatino, S.A.,** its Panamanian subsidiary, its investments in **Celanese Mexicano, S.A.** and **Celanese Colombiana, S.A.** Future reports will include income from these investments.

Six Months Ended June 30

	1956 $	1955 $
Net sales	94,421,267	93,248,262
Less:		
Cost of goods sold	65,[illegible],946	64,625,644
Depr. & amort.	7,87[illegible],238	7,321,969
Expenses	7,[illegible]00,910	7,025,154
Add: Other inc.	397,035	*1,165,896
Less: Inc. deductions	1,560,606	1,619,594
Inc. tax prov.	5,539,000	6,600,000
Net profit	6,185,602	7,221,797
Earn's per com. share	0.65	0.83

*Includes profit of $1,025,434 on sale of investments.

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The new Max Factor Toronto office-factory photo by PANDA

An example of Complete Service

July 1955: Representative from Max Factor, Hollywood, called on Camston Ltd. and outlined requirements. Satisfactory tentative price was quoted by Camston. Camston assisted in selecting suitable site.

August: Having worked with architects and consulting engineers in co-operation with the local representatives of Max Factor, Camston's representative arrived in Hollywood with complete architectural, structural, mechanical and plant layout drawings and specifications. Max Factor were satisfied with design and contract signed.

September: Work commenced on site.

January 1956: Building was handed over to owners who expressed wish to duplicate design of the building in other countries where construction is planned.

CAMSTON has built over 40 plants, totalling well over 1 million square feet. Majority of these projects have case histories similar to that of Max Factor.

CAMSTON also has choice industrial sites available. Advice and assistance given in finance and lease proposals.

Do you contemplate new building or expansion of present facilities? If so, the experience and know-how of Camston's organization is at your disposal.

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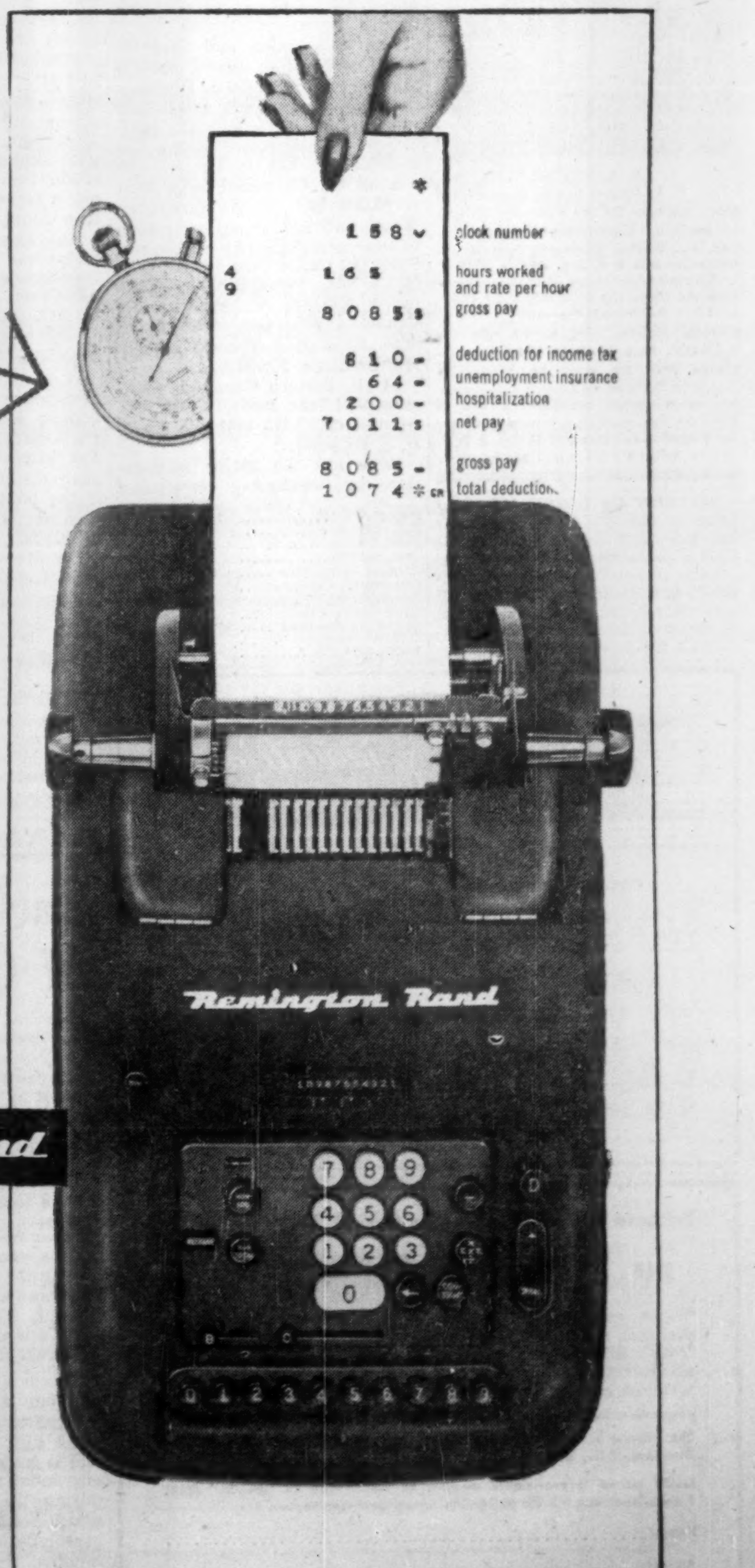
how to figure a pay cheque in seconds



Right there, on the black and red Simpla-Tape of Remington's amazing 99 Calculator are the essential facts of the problem only . . . printed and proved . . . and this payroll calculation took only 60 seconds!

The Remington 99 is the only 10-key, touch method calculator that adds, subtracts, divides, multiplies and clears completely automatically. In fact there's no figuring problem (up to a total-capacity of 99,999,999,999,999 which the 99 can't deal with lightly, rapidly and accurately. Vastly increased figure-work production with the 99 cuts figuring costs impressively. An important asset in any office or business!

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AUTOMATION FOR CANADIAN BUSINESS

An authoritative booklet about

The revised edition of a booklet entitled *"Facts and Figures about Canadian Oil"* has just been published and is available for investors.

In concise table form this informative booklet shows the rapid progress of Canada's oil industry during recent years. Up-to-date figures give particulars of Canadian oil consumption, production, reserves, pipe lines, refineries, field prices, and price trends. Several small maps are included to illustrate the petroliferous areas of Canada, the location of important oil fields and refinery centres, and the routes of the main oil pipe lines.

"Facts and Figures about Canadian Oil" is of particular interest to all who own oil securities and to anyone considering the purchase of such securities.

A complimentary copy will be sent upon request.

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Bond Market Not Ready, Withdraw 1998 Issue

Like a 10-ton truck, the Government's longest-ever bond issue has swept through the financial community. In its wake, it has left much head-shaking and second-guessing.

Last week, Ottawa announced the offering of a $350 million 3¾% bond to mature in 1998, to be callable only after 40 years. Price was 97, to yield 3.90% to maturity.

But 72 hours after the books were opened to receive orders, they were closed. Only $250 million had been sold. The other $100 million in bonds was withdrawn.

What happened?

- The time to buy wasn't long enough.
- Interest rates, it's felt, may not have stopped climbing.

Most bond dealers have concluded that Ottawa's experiment was a failure. But a minority held that the Government was well advised to pioneer the extremely long-term field, and that another offering might succeed if it were better timed.

Both the bears and the bulls agreed that more of the bonds could have been sold if they had been available a little longer. Although 72 hours is 24 hours longer than the usual offering period, dealers said that it just wasn't long enough to "educate" buyers to the merits of the longest bond yet offered by the Government.

Besides, the institutional buyers — pension funds and insurance companies — apparently felt that interest rates have not stopped climbing even yet. By holding their cash a little longer, they might get a better return on it when they invest it later.

(Average yield has reached 4.41% on a 40-bond index of provincial, municipal and corporate issues compiled by McLeod, Young, Weir & Co. This is the highest yield recorded since the Toronto investment firm began publishing the index 10 years ago.)

May Try Again

From this, some dealers conclude that the Government may try again to market another bond of extremely long maturity, when the time is riper.

"It (the 1998 bond) is designed to fill an existing need," said one dealer. "There is nothing better that people who require this security could buy. This bond won't depreciate much."

Another disagreed:

"It wasn't the type of bond the market needed at this time. If it had been a little shorter term and a higher interest rate, it might have succeeded."

Successful or otherwise, the new bond issue may have the effect of squeezing low-grade borrowers out of the market; an example would be rural school districts in those provinces whose government do not guarantee school debenture issues.

Previously, and particularly just after the war's end, some insurance companies invested heavily in such debentures, at about 3½% interest. Now, to compete with senior borrowers, the low-grade borrowers would have to pay a higher rate of interest than they could reasonably afford.

The extremely long-term maturity has a much more marked influence on bond price fluctuations than would a more normal maturity, since a large premium or discount can be spread thinly over the longer period.

If, at a time when low interest rates were prevailing, an investor bought a 3¾% bond to yield 3¼% to maturity, the price of the bond if maturity were 10 years distant would be 104.24. But if the bond was not due to mature for 41 years, price would be 111.28.

On the other hand, if interest rates were high and the investor sought a 4¼% yield on a 3¾% bond, the price would be 95.96 for a 10-year maturity but only 90.33 for a 41-year maturity.

Activity Light

With the new 1998 bond holding the limelight, there has been scant activity during the past week in other sections of the bond market.

The prices of short-term bonds have strengthened slightly, with some dealers observing that the chartered banks have apparently had a temporary excess of cash. This may have been the result of a combination of factors — the maturing of long-term loans, preparation of a strong cash position in anticipation of a further tightening in the money supply, and month-end "window dressing" of balance sheets.

Whatever the cause, the interest rate on day-to-day loans from chartered banks to investment dealers was driven down to 2¼% early this week, compared with 3% in mid-August and well below the "bank rate" of 3¼%.

Activity in medium-term and long-term bonds remained dull this week, with most traders standing on the side-lines until they could gauge the effects of last week's issue.

The $250 million 1998 issue helped to boost the total of Canadian Government, provincial, municipal and corporation public bond financing in August to $344,593,814, compared with $48,487,975 in the same month of 1955.

Here is a summary of January-August bond financing for this year and last:

	1956	1955
	—January-August— ($000)	
Govt. of Can.	250,000	700,000
Provincial	325,186	317,474
Ont. municipal	112,270	71,871
Que. & Maritime mun.	114,988	103,133
Western municipal	37,358	24,739
Corporation	576,375	357,533
Total	1,416,177	1,574,750
Sold in Canada	1,083,560	1,509,637
Sold in U. S.	332,617	65,113

Ottawa Not Disappointed

OTTAWA (Staff) — Ottawa won't admit to being disappointed that its long-term $350 million conversion issue did not bring more customers. But officials say they were surprised. They had expected a considerably larger book of orders than they got, specially after investment men had told them so often that there was a serious shortage of Government issues at the long end of the market.

There is some idea here that the conversion issue may have been the victim of market speculation holding out for a slightly better yield. Complaints have been made that investment dealers weren't given quite enough time before the books were closed at $250 million.

But, says Ottawa, the dealers were given 72 hours instead of the more usual 48 hours. The withdrawal of $100 million, says the Government in effect, is "no skin off our nose."

It is not revealed yet just how much of the $350 million went into the Bank of Canada and Government accounts, but some hint may be found in the weekly Bank of Canada reports on Thursday and Friday. It was certainly a very substantial slice.

But then the Government had stated in its original telegrams to primary dealers that not less than $150 million out of $350 million would be taken by the Government accounts, the Unemployment Insurance Fund and the Bank of Canada between them.

The $150 million may have been reduced proportionately with the reduction of the total issue, but it is obvious that the Government never expected more than $200 million from the public. If the Bank of Canada had bought much more than it did, it is stated, the issue would have become in effect a "tap issue," and it was never intended to be that.

Most discouraging feature of the low offering is its effect on other potential long-term borrowers. A fuller subscription to the conversion loan might have opened up the market for long-term bonds and brought a good many other borrowers into that kind of security. The present indication, however, is not likely to attract borrowers into this field.

Why They're Moving

Facts and comment on what's going on in the market and rumors behind some of the moves.

By FRANK KAPLAN

Automobile stocks featured recovering markets immediately following the Labor Day weekend. Prices which had been sagging for a month turned strongly higher sparked by an increase in **Ford of Canada** earnings in the first half of the year to $7.25 a share from $4.48 a share in the same period last year. Canadian automobile companies, generally, have enjoyed a better year than U. S. firms with sales up slightly. However, the market for auto stocks has been subject to the swings in sentiment in the U. S. But even in the U. S., the automobile industry appears to have weathered the storms of a difficult year. Production cutbacks and a strong sales push helped reduce inventories to a more normal level.

Now, the industry is looking forward to a big campaign to move the new models which are considerably changed from last year's cars. Here's a table showing recent market action of auto stocks.

		Latest	Aug. 24	
	Price		High	Low
	$	$	$	$
Chrysler	68	66	86	59
Ford Canada A	127½	123	138	109½
Ford (U. S.)	57¾	56½	59¼	51
General Motors	46½	46	49	39½

* * *

THE STREET IS TALKING ABOUT—the direction of the stock market this fall following about as "traditional" a market pattern throughout the summer as the experts could hope for. The summer rally talked about annually occurred this year in a strong June-July rise and the traditional August setback followed. What happens immediately after Labor Day is considered crucial for the remainder of the year.

The market's answer to analysts was a strong rise which started in Wall Street and spread into Canada. Issues hardest hit during the previous week's declines were leading gainers. **Aluminium,** after losing about $4 recovered $2 in a single session at $135. **International Nickel** rebounded from a $2 loss to show a gain of almost $1 at $106 over the week. **Steel of Canada** recovered a better than $1 loss to finish ahead a fraction on the week at $69½.

* * *

Heavy profit-taking hit oils following recent extended advances. Again, this is a section of the market where foreign interest has been ruling price trends. But the fickle swings of investment and trading opinion resulted in some comparatively-sharp swings. **Regent Refining,** Canadian subsidiary of **Trinidad Leaseholds** of the U. K., dropped almost $3 anticipating news of formal approval of sale of its parent company to the **Texas Co.** of the U. S. However, it more than recovered the loss to finish at $25¼, ahead a fraction. **Imperial Oil** at $59 and **B-A Oil** at $46½ are down about ½ despite recovery move.

News doesn't always move the market. Witness the increase in **Canada Packers** dividend rate to $1.75 annually from $1.50. This followed record sales and earnings. Canada Packers A shares edge ahead $1 to $40 while the B holds solidly at $38. Price range of the A so far this year is a high of $43, low of $37. For the B, range is $38⅞-$33½.

* * *

Loblaw Companies A and B sell down to about $20-$20½ from $23-$21 as new financing reported. This financing is in the form of convertible debentures of operating company—**Loblaw Groceterias.** But these Groceterias' debentures are convertible into Loblaw Companies stock.

Penmans surges ahead to $25 from about $22½ in move which recalled attempts to win control in early summer by an unidentified buyer. However, no new attempt at gaining control is believed indicated. Buying appears to be more of a case of attractive return on an investment. With dividend payments of $1.30 indicated for this year, the stock yields 5.2%. And with latest dividends at 35c quarterly, a future annual rate of $1.40 is indicated, or a yield of 5.6%.

* * *

OTHER MARKETS—Over-the-counter trade continues very quiet with quotations tending lower although transactions are few and far between. Life insurance shares are major victims here. **Canadian Delhi,** which has an interest in **Trans-Canada** gas line, slips a fraction to $7¾-$8.

Overseas interest in Canadian issues fairly light. **Rio Tinto Canada** which has dominated in interest from U. K. and Europe, slips back slightly to $3.50-$3.60 range from $3.60-$3.70. Warrants are trading at about $2.55-$2.70. Buying fairly steady from overseas but there appears to be an ample supply of stock on this side. Street talk indicates it is coming from a single important insider.

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With the constantly growing significence of the petroleum industry to the Canadian economy, *Imperial Oil Limited's new edition of "Facts and Figures about Canadian Oil"* is of special importance and interest.

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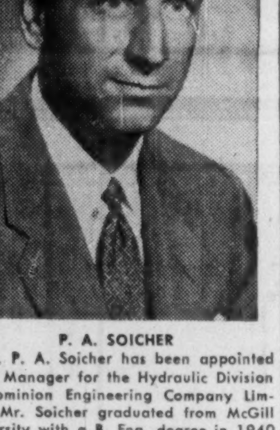
ANNOUNCEMENT



P. A. SOICHER

Mr. P. A. Soicher has been appointed Sales Manager for the Hydraulic Division of Dominion Engineering Company Limited. Mr. Soicher graduated from McGill University with a B. Eng. degree in 1940 and received his Master of Science degree from the University of Michigan in 1941. In 1942 he joined the design staff of General Motors. He served with the R.C.E.M.E. from 1942 to 1946. On discharge from the army he joined the Hydraulic Division of Dominion Engineering as a design draughtsman and in 1948 he was appointed Product Engineer for Propeller Turbines and Pumps, a position he held until his recent appointment.

Oil Purchases For Sept. 420,927 Bbls.

CALGARY — For the second straight month nominations for Alberta crude oil exceeded the 400,000 bbls.-a-day mark. Nominations for September average 420,927 bbls. daily, 26,784 less than the alltime record for August.

The Petroleum and Natural Gas Conservation Board reports that once again **Imperial Oil** leads in nominations with a total of 158,095 bbls. daily, with the company's Sarnia plant asking for 65,570 bbls.

Shell Oil Co. asked for a total of 43,000 b/d for its Anacortes, Wash. refinery signaling return to near peak capacity operations. **Shell Oil Co. of Canada** will take 16,670 b/d. **B. A. Oil** has asked for a total of 49,030 b/d. and **Canadian Oil Cos.** will again take its Sarnia refinery's peak requirements, 30,000 b/d.

In all, Eastern Canadian refineries will take some 207,989 b/d. A total of 93,572 b/d will go to U. S. refineries.

Here are the major nominations by purchasing companies:

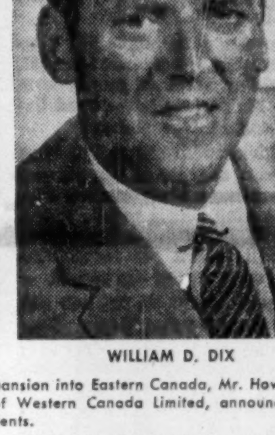
	Aug.	Sept.
Imperial Oil	166,025	158,095
B.A. Oil	48,185	49,030
Shell Oil Co.	......	43,000
Cdn. Oil Cos.	30,000	30,000
General Petroleums	20,500	18,133
Consumers' Co-op.	8,700	10,800
International Refineries	11,290	11,670
Shell Oil of Canada	12,720	16,670
California Standard	20,900	9,700
McColl Frontenac	12,000	9,000
North Star Oil	8,100	9,070

DISTRICT OF DIGBY, N.S., new issue of $190,000 4½% debentures has been sold to **Wood, Gundy & Co.** and **Royal Bank of Canada.** Issue consists of $90,000 10-year and $100,000 20-year debentures. District will use proceeds for school and garage. It received $95.87 per $100 debentures, a cost basis of 4.924%.

ANNOUNCEMENT

NEON PRODUCTS APPOINTMENTS

DONALD B. GRANT



WILLIAM D. DIX

In keeping with the Company's recent expansion into Eastern Canada, Mr. Howard D. Cleveland, President of Neon Products of Western Canada Limited, announces the appointment of two additional Vice-Presidents.

Mr. Donald B. Grant is appointed Vice-President in charge of the new Eastern Division. Mr. Grant has been associated with the Company for the past eleven years as Secretary-Treasurer and a Director.

Mr. William D. Dix, formerly General Sales Manager, is appointed Vice-President in charge of Sales for Canada. Mr. Dix is well known in the Neon industry having served with Neon Products for 19 years, in both sales and art work.

Mr. Colin T. Martin, continues in his former position as Vice-President and Mr. John P. Rapsey is appointed Secretary-Treasurer of the Company.

Motorways Buys Security, Creates Highways Empire

From Our Own Correspondent

WINNIPEG—Sale of Security Storage Co., to Motorways (West) Limited has been announced by Security President George H. McKeag.

The business was sold for $3.5 million. It makes Motorways one of the largest highway transport operation in Canada with direct truck lines between Vancouver and Montreal.

The company previously bought the businesses of two other transport companies, Biggar Bros. and Patricia Transportation Co. which operated from Winnipeg.

Security Storage founded in 1909 was the oldest business of its kind in Winnipeg. It was bought by Mr. McKeag in 1925 who started the Union Transfer Co. in 1911 with a horse and wagon. The two companies were merged in 1932 under the Security Storage name. The company has a five-story warehouse on Portage Ave., another on Assiniboine Ave. and in 1955 completed a distributing terminal warehouse in Winnipeg's west end.

In 1955 also the company extended facilities to cover the Prairie provinces by opening offices and a warehouse in Calgary and purchasing the Big Four Van Lines in Edmonton.

The sale includes the company business in Winnipeg, Edmonton and Calgary. Its household goods moving and storage and commercial cartage activities will be carried on as a subsidiary of **Motorway (West) Limited,** operating as **Security Storage Ltd.** and as agents for **Allied Van Lines.**

There will be no change in personnel of the company. Mr. McKeag will preside as chairman of the Security Storage board and W. J. McKeag will continue as general manager.

J. M. Atwell is president of Motorways (West) Limited.

Westeel Products Net Rises 38%

Westeel Products Ltd., Winnipeg, unaudited net profit for the half year ended June 30, 1956 was up 38.2% at $464,700 ($336,200 a year earlier), equal to 98c (71c) per share.

Booked business is approximately 8% higher than a year ago, report President E. S. Sargeant and Executive Vice-President P. F. Fowle.

Capital expenditures amounted to $178,000 ($107,000). Working capital was $147,000 higher than at Dec. 31, 1955 when it amounted to $5,921,914.

Six months ended June 30	1956	1955
		$
Gross profit	1,947,000	1,567,800
Sundy income	—300	+56,500
Less: Expenses	902,800	814,300
Depreciation	167,100	176,800
Inc. taxes	412,100	297,000
Net profit	464,700	336,200
Earnings per share	0.98	0.71

MANAGED INVESTMENT

MacNab Buys More Shares Of Consolidated Smelters

MacNab's manager on Aug. 28 bought an additional five shares of **Consolidated Mining & Smelting Co.** at $31 each. This increases his client's holding to 50 shares.

He feels that it is a good time to buy the stock, as it has been depressed by the declining profits from the fertilizer division. He will include an analysis of Consolidated Smelters with his next report.

MacNab's Manager Says:

Your account at Aug. 15 indicates a total valuation of $39,669, compared with $39,025 on July 16, a capital gain of $644. No transactions were made in your account during the month under review, and there was no indicated change in your income, which remains at $1,479 per annum at current indicated dividend rates.

This is a new record valuation of your account since I commenced its management some 11 years ago, starting with $10,000, and is indicative of the tremendous inflationary forces at work during the past decade, during which bond prices have declined, especially during the past 18 months.

Abitibi Power and Paper Co. recently created a new $15 million issue of 4½% convertible debentures for additional working capital. The success of the offering, which was immediately oversubscribed, indicates the tremendous improvement which has occurred in this company's financial position and credit during the post-war years, and reflects the increase in the price of newsprint and pulp during this time.

In accordance with my present policy of adding to your holdings of high grade stocks, I have today purchased for your account five shares of Consolidated Mining and Smelting Co. at $31, thus rounding out your holdings to 50 shares. A brief analysis on Consolidated Smelters will be contained in my next letter to you. It is apparent that the stock has been depressed due to the declining profits from their fertilizer division and I think now is a good time to buy more stock.

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What Do You Know About Wills?

1. A Will must be witnessed by two persons present with the testator when he signs it or acknowledges his signature. True ☐ False ☐

2. A legacy to the witness of a Will, or to the husband or wife of such witness, is void. True ☐ False ☐

3. Naming a guardian for your children in your Will relieves the Court from appointing one. True ☐ False ☐

4. Unlimited bequests can be given to recognized charities in Canada without payment of Federal Succession Duties. True ☐ False ☐

5. Trust companies are not entitled to greater remuneration for their highly specialized services than inexperienced private executors. True ☐ False ☐

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1. True 2. True 3. False 4. True 5. True

Complete explanations of these answers will be supplied upon request

CT-4

How Earnings, Yields, Prices Compare

	Price per share		(1) Current Dividends per share		(2) Current Earnings per share		Yield		Price of Earnings Ratio	
	Now $	1951 $	Now $	1951 $	Now $	1951 $	Now %	1951 %	Now	1951
Abitibi	38½	18⅞	1.70	1.00	3.70	3.07	4.42	5.30	10.4	6.1
Aluminium	133	51	2.40	1.80	5.50	3.52	1.80	3.53	24.2	14.5
Atlas Steels	30¼	24½	1.00	1.00	5.00	4.16	3,31	4.08	6.1	5.9
Bathurst B	45	32	1.50	1.50	5.50	5.80	3.33	4.69	8.2	5.5
Bell Telepone	47½	39⅜	2.00	2.00	2.50	2.06	4.21	5.08	19.0	19.1
B. C. Telephone	48½	*34	2.00	2.00	3.50	1.76	4.12	5.88	13.9	19.3
Cdn. Breweries	27½	20⅝	1.50	1.50	3.00	2.25	5.45	7.27	9.2	9.2
Cdn. Industries*	19	20.9	0.50	0.45	0.80	0.72	2.63	2.15	23.8	29.0
C.P.R.	34½	32¾	1.50	1.50	3.50	2.98	4.35	4.58	9.9	11.0
Dist. Corp.-Seagrams	34⅝	27½	1.70	1.70	3.75	4.93	4.91	6.18	9.2	5.6
Dom. Stores	42½	13	1.25	0.50	2.69†	1.36†	2.94	3.85	15.8	9.6
Ford of Canada A	122½	48¾	5.00	3.50	12.50	8.97	4.08	7.18	9.8	5.4
Imperial Oil	58	40⅛	1.20	0.60	2.50	1.20	2.07	1.50	23.2	33.4
Indust. Acceptance	58	16½	2.80	1.50	5.50	3.92	4.83	9.09	10.5	4.2
Inter. Nickel	103¼	42	4.00	2.60	7.00	4.18	3.87	6.19	14.8	10.0
MacMillan B	37¾	27½	1.00	0.80	3.25	5.51	2.65	3.64	11.6	5.0
McColl-Frontenac	59	36½	1.40	0.85	4.50	2.17	2.37	2.33	13.1	16.8
Powell River	49¾	29.7	1.80	1.25	3.00	2.30	3.62	4.21	16.6	12.9
Shawinigan W. & P.	85¼	37	1.80	1.45	4.00	1.85	2.11	3.92	21.3	20.0
Steel Co. of Can.	68¼	35½	1.40	1.10	5.75	5.58	2.05	3.10	11.9	6.4

(1) Figures are indicated annual rate Aug. 31, 1956 and 1951.
(2) Figures for current year are Financial Post estimates based on interim 1956 results (sometimes simply twice the first half result); figures for 1951 are actual earnings per share in that year, adjusted for stock splits, etc.
*Figures for 1951 are based on those of predecessor firm, now split in two. Old C-I-L shares are presumed to equal 2.2 new C-I-L shares.
†Actual earnings for years ended March 1956 and 1951.
*Approximate; not listed until November, 1951.

YIELDS, EARNINGS

By PAUL S. DEACON

How Stock Prices Stack Up

Investors Have Their Eyes More On Earnings Than Yields

Many analysts now are viewing with some concern the current level of stock prices in relation to dividends and earnings.

The position is illustrated in a study of 20 leading Canadian stocks compared in an accompanying table.

In 1951, when the market generally was fairly strong, these 20 stocks provided a yield averaging 4.69%. Now, five years later, their average yield is only 3.46%.

Five years ago, these stocks could be bought for prices averaging 8.7 times their then current earnings. Now, their prices are equal to an average of 12.2 times earnings.

The 20 stocks in the group are mainly in the growth stock category, and to some extent this accounts for the level of prices for them. Investors are willing to pay some premium for stocks which appear to have good growth prospects.

Reflecting this, the **Moss, Lawson & Co.** compilation of average stock yields is 3.95% for common stocks, half of 1% higher. But even this yield is well below its level five years ago, 5.20%.

Rise In Bond Yields

A major reason why analysts are watching these yield trends closely is the rise in bond yields which has occurred during this drop in stock yields. The **McLeod, Young, Weir & Co.** bond yield average for 40 provincial, municipal, public utility and industrial bonds reached 4.56% on Sept. 4, compared with 4% five years ago. This is up from 4.36% just a month earlier, reflecting the recent drop in bond prices.

Thus in 1951 common stocks provided dividends on a $1,000 investment of $52 a year. Bonds would have returned the investor only $40.

Now a $1,000 investment in the Moss, Lawson representative group of stocks would produce only $39.50 against $45.60 for the bonds.

Missing from this comparison is this important factor: the 20% tax credit on dividends. Many individual Canadian investors can net more from the $39.50 in dividends than they can from the $45.60 in bond interest. This is a factor which was only beginning to be felt in 1951.

But this doesn't alter the fact that the gross yield on bonds has risen considerably above average stock yields. This naturally produces a downward pressure on stock prices to produce better yields on stocks.

As it has worked out, yields on stocks are slightly higher than a year ago, despite a rise in stock prices in the interval. Moss, Lawson common stocks' average yield a year ago was 3.91% against 3.95% now, although most market price indicators are 4-5% above year-ago levels. In other words, dividends have risen slightly more than stock prices.

The Earnings Side

In the earnings side of the picture, there is no doubt that investors are paying today much more for each $1 of earnings than they were five years ago. But the figures for the 20 stocks listed on this page suggest that they are still getting a fair measure of earning power for their investment.

Price/earnings ratios vary greatly among industries and among companies, but generally speaking, a price around 10-12 times earnings is considered a reasonable conservative level. For 20 stocks of good calibre to average 12.2 times earnings seems to suggest that current prices are still within reasonable bounds. Half of the stocks are selling above this level, but in most cases, this reflects fairly normal pricing for stocks in their particular industry.

The earnings figures used are mainly estimates for 1956, on the assumption that investors are basing their purchases on what they know of current year's results rather than 1955 results. Almost all the companies listed have published interim reports on the current year's results, and these give a clue as to what full year statements may show. The 1951 earnings are used in the price/earnings ratio for that years, on the same assumption.

Faith Confirmed

It's interesting to note that in six cases, prices now are lower in relation to earnings than they were in 1951. In every case but one, the stock prices have advanced since 1951, confirming the faith of buyers five years ago that they were getting good value for their money.

The earnings figures also show that there is solid backing for present dividend levels, and for possible increases. On an average, $1,000 invested in equal amounts in the 20 stocks would provide earnings of $81.78 a year, of which only $34.56 is being paid out in dividends.

Furthermore, healthy write-offs are being made by most of these companies for depreciation, and the cash flow (net profit plus depreciation) provides an even greater cushion than that apparent from a study of net profits alone.

On the evidence, there seems no doubt that investors have taken their eyes off the yields on common stocks to quite an extent. Their gaze is directed more on the earning power and the potential they see for growth, rather than what they will get back in immediate dividends.

But this is not particularly new. Back in December 1954, a Financial Post study of a similar group of 20 stocks showed prices averaging 11.7 times the previous year's earnings. The level in relation to 1954 earnings was probably somewhat higher, because 1954 results were generally below 1953 levels. The average yield? Only 4.08%.

Thus there seems to be room for some downward correction from the point of view of yields, but if business continues good, earnings should provide a good basis for keeping the dips within bounds and the longer term trend up. And dividend increases may help produce a better yield picture without the necessity for major price drops too.

* * *

Ford, Loblaw Groc. Issue Special Reports

Investors welcomed a couple of new developments in the field of company reporting this week.

Loblaw Groceterias Co., which is undertaking some new debenture financing shortly, issued a preliminary report on 1955-56 results which will give their shareholders a good idea of company progress much earlier than they would normally receive a report.

A full report will be issued later, but in the meantime, the salient features have been made available — the full accounts are shown. The parent, **Loblaw Companies Ltd.**, issued its first report also, and its shareholders are expected to receive not only the preliminary report of the operating subsidiary but also the full report when it appears.

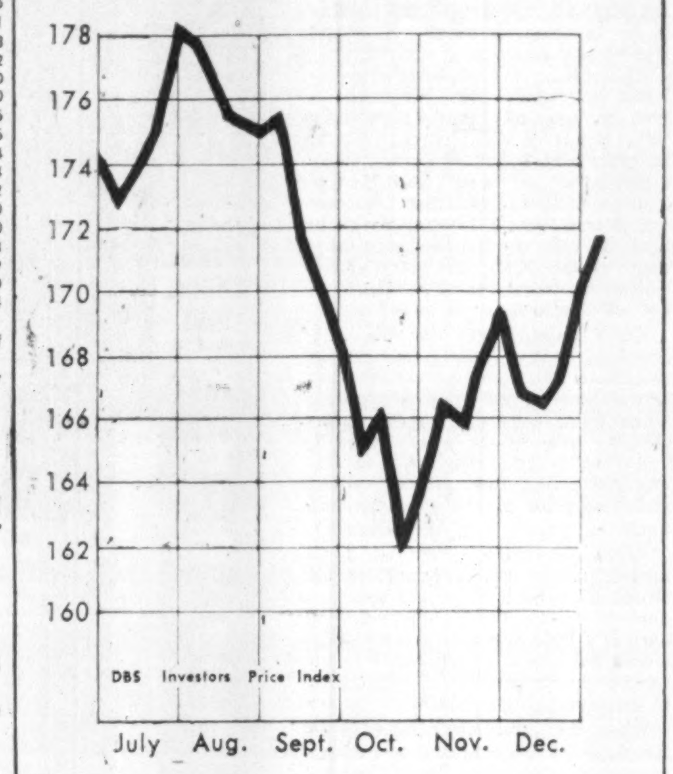
Ford Motor Co. of Canada issued its first interim financial statements this week. Explained President Rhys M. Sale: "The mid-year report is being initiated to keep you more closely abreast of current information, and is in keeping with a growing Canadian practice in this respect."

Both these moves are of a type which build confidence in management among investors. In the Loblaw case, the figures had to be prepared in connection with the financing, and the company's management took the opportunity to let shareholders have the results as soon as they were available.

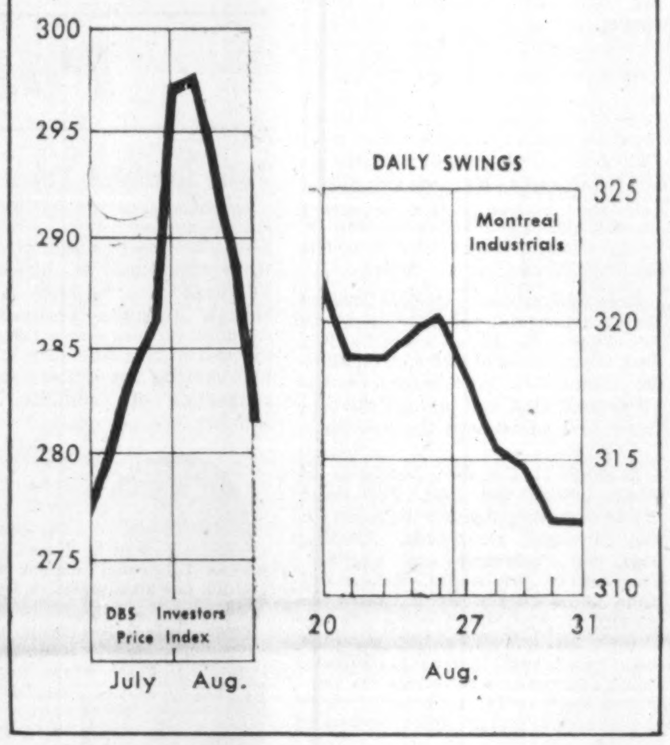
President Sale's report provides Ford's figures for the first half, and comment on operations, and also gives useful details on probable results for the full year.

THE STOCK MARKET

Will The 1952 Pattern . . .



Be Repeated This Year?



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Loblaw Groceterias Plans New Financing

For company reports on the two Loblaw companies, see page 27.

New financing by **Loblaw Groceterias Co.** is expected shortly, President George C. Metcalf informed shareholders this week.

According to street sources, the issue is expected to consist of $12 million sinking fund debentures convertible into stock of **Loblaw Companies Ltd.** class A shares.

Loblaw Companies now holds approximately 96% of the second preference and common shares (formerly A and B shares) of Loblaw Groceterias.

Earnings of Loblaw Groceterias were a record $5.86 a share in the year ended June 2, 1956. Company opened 11 new supermarkets to bring the number to 182 at June 2, and seven more will be opened by November. Nine major additions were made to existing stores.

Proceeds of the new financing will be used to help pay for continued expansion and to strengthen the company's position, Mr. Metcalf states.

Effect of the acquisition of the interest in **National Tea Co.**, Chicago, and the new holding company set-up is shown in a pro forma calculation of a full year's earnings of Loblaw Companies Ltd. Earnings per combined class A and class B shares of this parent firm, including its interest in the earnings of National Tea and **Loblaw Inc.** (in excess of dividends received — already included) would be approximately $2.84 a share, based on the 1956 fiscal year results.

If only dividends from National Tea and Loblaw Inc. are included, pro forma annual earnings of Loblaw Companies are $1.82 a share. In both cases, the minority interest in Loblaw Groceterias is deducted.

Loblaw Groceterias increased its net profit in terms of sales again this year. The total worked out to 2.22% of sales compared with 2.18% the previous year. Comparable figures for other food chains: **Dominion Stores**, 1.97%; **Canada Safeway**, 2.00%; **Steinberg's**, 1.79%

Consolidated goodwill shown at $702,385 was written off out of earned surplus. This is believed to reflect elimination of goodwill carried in books of companies acquired (no item for goodwill was shown in either the 1956 or 1955 accounts).

Investment Suggestions

Security	Rate %	Maturity	*Price	Approx. Yield %
Government of Canada Treasury Bills		30 Nov. 1956	to yield	2.85
Government of Canada	3	1 Feb. 1959/62	95.75	3.87
Government of Canada	3¾	15 Mar. 1998	97.00	3.90
The Hydro-Electric Power Commission of Ontario	4	15 July 1972/74	96.25	4.30
The Municipality of Metropolitan Toronto	4½	1 June 1976	98.75	4.60
Town of Exeter, Ontario	4¾	15 Dec. 1957-71	98.25	5.00
The Bell Telephone Company of Canada	3	1 Mar. 1977	84.00	4.17
The Consumers' Gas Company of Toronto	4¾	1 June 1976	100.00	4.75
The T. Eaton Acceptance Co. Limited	4½	1 April 1976	97.50	4.69
Empire Brass Mfg. Co. Limited	5¼	15 Oct. 1973	101.00	5.14
Lafarge Cement of North America	5½	15 July 1976	99.50	5.54
Preferred Stocks				
British Columbia Electric Company Limited	4¾	cum. $100 par	99.50	4.79
St. Lawrence Corporation Limited	5	cum. $100 par	99.00	5.05
The Shawinigan Water and Power Company	4½	cum. $ 50 par	51.00	4.41
Steinberg's Limited	5¼	cum. $100 par	102.50	5.12
Common Stocks		**Indicated Dividend**		
Aluminium Limited		$2.40 U.S.	134.00	1.79
Bailey-Selburn Oil & Gas Ltd.		—	19.25	—
Canada Wire & Cable Co. Ltd. "B"		.80	20.25	3.95
Dominion Foundries & Steel, Limited		.80	34.00	2.35
Sherriff-Horsey Corporation Ltd.		.50	10.50	4.76
Toronto Elevators Limited		.80	23.00	3.48

**Accrued interest to be added where applicable.*

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Winnipeg Gas Issues Bonds

New financing totaling $4.6 million has been arranged by **Winnipeg & Central Gas Co.** to help pay for its construction program.

The financing consists of $2.6 million 4% first mortgage bonds, Series A, hypothecated to the company's bankers and another $2 million placed privately with institutional investors. The bonds mature Aug. 1, 1960.

The financing was arranged through **Deacon Findley Coyne Ltd.**, Toronto. Up to $2 million more bonds are expected to be hypothecated with the company's bankers as security for additional demand loans.

INDUSTRIAL ACCEPTANCE CORP. has issued an additional 67 common shares under employees' stock purchase plan and an additional 750 under senior officers' stock option plan. Now 1,343,610 common shares outstanding.

MARKET COMMENT

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New Market for Durables?

When a Canadian buys a new car, he doesn't expect to drive it until it falls apart. He plans to trade it in on a new one in a couple of years, and he considers the trade-in value when he originally buys.

The customer who buys the trade-in as a second-hand car buys in the same frame of mind. He expects to turn it over before too long, maybe to trade up to something slightly closer to a current model. This process of trading-in and trading-up has brought car ownership in Canada to the level of one car for every four persons in the country.

When the same Canadian buys a refrigerator or a stove, or any other consumer durable, he has rather a different attitude. He expects the appliance to sit in his kitchen until it begins to infuriate the family by its mechanical deficiencies, or until current models show such marked improvement that the one in his kitchen is completely out-moded.

In the case of refrigerators, the average turnover takes place after about nine years. Trade-in value is slight in relation to first cost, and market value of the second-hand appliance is even less. Canadians who would think nothing of buying a second-hand car won't even consider a second-hand stove or refrigerator. The process of beginning with a five-year-old appliance and gradually trading up to a new one just doesn't occur.

This difference between the car market and the market for other consumer durables is apt to take on special importance now that the marriage rate is beginning to drop, reflecting the low birth-rates of the thirties. The number of potential first-time buyers of new appliances, in relation to the total market, will diminish. The replacement market will be of increasing importance. To get new first-time buyers, the appliance industry will somehow have to reach a lower income-group.

There are two ways to boost the replacement market. One is to shoot for "planned obsolescence," to make the new models so distinctly better or different that the consumer will overcome his reluctance to write off a still good machine. The other way is to provide the consumer with some means of getting back part of his first cost and of combating the guilt feelings involved in abandoning a mechanically sound consumer durable. A well-organized second-hand market for appliances, backed by first-rate servicing facilities, can meet this need. It can also bring the lower-income markets within closer reach of new appliances by setting in motion the "trade-in, trade-up" process.

During the past ten years there has been little need or desire to make basic changes in the marketing pattern for consumer durables. With new families being formed and new houses being occupied at record rates, expansion was easy and automatic. Now, and for the next ten years, the outlook is different. The changing age-distribution of the North American population may bring about marked changes in the way we buy and sell.

Multiplying the Engineer Crop

In the plan of University of Western Ontario's Waterloo College to turn out two crops of engineers a year, perhaps we have the solution to one of the country's most pressing problems. We're seriously short of engineers now and at the present flow from the universities, we're going to be critically short tomorrow.

But faster output is not the only advantage offered in the Waterloo plan. The proposed course would be a 50-50 combination of class room and actual job experience. Half of the time the student would be working at wages in industry. Half the time he would be in college, with the latter open 48 weeks in the year instead of about half that period at present.

As Ira G. Needles, chairman of the special board sponsoring the plan and president of Canadian Goodrich points out, the company which provides the practical training facilities would find graduates under this scheme more useful immediately than those who had taken a normal engineering course and were, as a result, out of active touch with industry for a considerable period.

Admittedly such an intensive course could hardly provide the broad background that goes with four or five years of more leisurely study. But it could double our output of useful people and Canada could certainly use them.

The fathers of the Waterloo College plan are indeed to be congratulated. It is practical and quite simple. It can be adopted in many other universities. Because two crops of students per year go through the same educational plant the finances of the institution will be greatly improved. We trust there will be a prompt sharing of this advantage. Teachers, as a rule, are almost everywhere underpaid. We suspect this applies at Waterloo.

Sewed Up Tight

Harold Stassen might have saved himself a lot of trouble and embarrassment at the Republican convention in San Francisco. Neither he, nor anyone else, says Columnist Robert S. Allen, had the slighest chance of blocking Nixon's renomination for vice-president. The Nixon steamroller was going full blast to meet any contingency.

Nixon, says Allen, adopted the same potent technique as that used by Dewey to win the nomination for president at two previous GOP conventions. This was the personal canvass.

Every delegate and alternate to the convention had either been seen personally by Nixon or had heard from him directly in some other way. Perhaps even more important, they had received telephone, telegraph and other messages, from friends and business men back home urging unswerving support to Nixon. Finally, any delegates that still refused to commit themselves got a call from the chairman of the convention who, after reminding them of "a number of favors" they had received in the past, said he expected to see unanimous support for Nixon and on the first ballot.

Nothing was left to chance. Nothing really was left to the convention.

Having sewn up everybody neatly and tightly Mr. Nixon could slip away to see a sick father, knowing exactly what would happen.

Getting Rid of it Anyway

On second thought, Canadian wheat growers and exporters will probably feel relieved over the mammoth U. S. food deal with India. Some 130 million bushels will make quite a hole in the American surplus and eventually take some of the abnormal pressure off world markets. Sooner or later such dumping had to be faced if we ever hoped to get back to sanity in world marketing.

For some time, of course, the transfer of this huge block of wheat and other food is bound to upset world trade. U. S. authorities have asked India for assurance that there will be no curtailment of regular wheat purchase from regular suppliers. But that does not mean anything. It is exactly the same as treating some hungry man to a big turkey dinner and then insisting that he immediately buy and consume another big turkey dinner in the regular restaurant he patronizes.

The only possible way of disposing of these U. S. surpluses without interfering with world trade would be to dump them in the ocean or burn them. That sort of thing has been tried but public opinion is intolerant of that method. The only way left to get rid of wheat or any other food is to get it eaten and that the U. S. deal with India will certainly do even if the U. S. taxpayers pay the whole shot.

This giving away, of course, is tough on those countries like Canada, which have a major stake in the business of growing and selling wheat. But this is the sort of competition we must face so long as these surpluses remain. There are far too many wheat growers and far too few taxpayers in this country for us to think of subsidizing wheat as it has been subsidized in the United States. For us wheat is a major export, and for many years our biggest export. In the United States it is a minor export. As a matter of fact it wouldn't be a U. S. export at all if the government subsidies were slashed as every reputable economist says they should be slashed. But there is an election coming up across the line and a wavering farm vote to be won or bought.

For Canada, however, wheat growing is a business, not a national charity. For much of our land it is the only crop that we can grow. The sooner these surpluses are out of the way the happier and more prosperous we will be.

The Case of the Wealthy Widows

Britain's Scotland Yard is checking into the wills of 300 wealthy widows who died recently "in a fashionable south coast resort," later identified as Eastbourne.

This revives our faith in the durability of British institutions. That peculiarly British phenomenon, the methodical mass murderer, may still be on the scene, pursued by that other British specialty, the cerebral detective. The great British public retains its tendency to wonder what's up when 300 elderly persons die in unduly similar circumstances.

This is reassuring. Recent stories from Britain have seemed to indicate that crime and detection aren't what they used to be. There have been accounts of gang wars in London, and even charges of corruption in Scotland Yard. The cruder criminal and the less dedicated sleuth seemed to have muscled in.

The news from Britain's south coast suggests that no fundamental change has taken place. Dotted about the countryside, even at this moment, are Hercule Poirot exercising his little greycells; Lord Peter Wimsey smoothing his butter-colored hair; Miss Jane Marple twitching her knitting; and Inspector Trent glancing casually at a blunt instrument. A short step away are the ingenious and very polished murderers who have done so much for British literature.

The widows of Eastbourne may prove to be nothing more sinister than a collection of dear old ladies who retired to the south coast to spend their declining years and, in the fullness of time, died natural deaths. They may be the victims of a latter-day disciple of George Joseph Smith. Either way, they should provide a new stimulus for the detective fiction that is one of Britain's glories.

The End of Our Elms?

From a Niagara Parks official came some bad news last week. The insect-borne Dutch Elm disease, he reports, is spreading rapidly throughout southern Ontario and Quebec, and so far no practical remedy is in sight.

In the southern part of central Canada, there are thousands of big elms, in some sections, far more than any of the other big trees. They have been used extensively in street and highway planting and they form the chief decorative feature in most rural landscapes. If many of these go, as now seems likely, they will leave an ugly gap, and one that will take years to fill.

The wide and rapid spread of the Dutch Elm disease indicates the scope of battle faced by our plant police scientists. The disease is believed to have come from China to Europe in the wooden boxes carried by Chinese labor troops used in the First World War. From Northern France and Belgium it quickly spread into Holland where it was recognized and named. A few years later imports of elm logs brought it to two points in the northeastern U. S. From there it probably followed the old military invasion routes into Canada around both ends of Lake Ontario.

A Necessary Investment

Pointing out that advertising appropriations have been going up at a rate faster than the economy as a whole, a business writer in the September Fortune makes this significant observation:

"Management plainly has a new attitude toward advertising. The notion that advertising was a sort of corporate luxury, to be indulged in when there were funds left over, now seems quaint and archaic. Business men may have difficulty determining the exact sales payoff from advertising; but they are increasingly inclined to view the appropriation as a true capital investment — as much so as new plant."

And it is an investment which, with proper handling, will pay mighty handsome dividends, too.

Napier Moore's Scratch Pad

THE OTHER NIGHT I listened to CCF leader M. J. Coldwell, who, visiting England, interrupted his holiday to be interviewed on the At Home and Abroad program of the BBC.

His interrogator asked some pretty blunt questions. Mr. Coldwell, I thought, handled himself extremely well. His voice was pleasantly clear; he spoke with a fluency unmarred by a single "er" or "well." And he was a much mellower Socialist than any the British public is accustomed to hear. In fact, the impression he conveyed of the CCF's new brand of Socialism must have caused Fabian Society wraiths to moan in anguish.

Asked point blank why the CCF had departed from the famous Regina Manifesto, Mr. Coldwell replied that it was born of the great depression, when there were millions of unemployed. Now things were different, and what he called Democratic Socialism recognized that private capital and enterprise played a useful and important part in a nation's economy.

Asked about the extent of U. S. investment in the development of Canadian natural resources and industry, Mr. Coldwell confessed that he was a little afraid of greater magnitude because it might result in an attempt on the part of U. S. capitalism to exercise political control.

When the interviewer referred to the Socialist Government of Saskatchewan and the Social Credit Government of Alberta as being similarly inclined, Mr. Coldwell hastened to correct him. The Government of Alberta, he said, was probably farther to the Right than any government in Canada. Which seemed to surprise the otherwise well-primed interviewer.

* * *

THERE ARE QUEUES in Canada. People stand in line to get tickets for Grey Cup and hockey finals. I believe there have been youngsters who have waited all night to be the first to get into the Canadian National Exhibition. But the long-endurance queueing there is nothing to equal the British. Oddly enough, the all-time record is held by the devotees of Ballet.

In October, Russia's Bolshoi Theatre Ballet is to have a season at London's Royal Opera House in Covent Garden. Seat sales opened at 8.30 a.m. on Monday, August 27. At 3.30 a.m. on the previous Friday, the first gallery customer arrived to head the line for a 77-hour wait.

Throughout the day, hundreds of others joined the line. For three nights of encampment on the sidewalk they brought camp-beds, sleeping bags, air mattresses and blankets. They also had umbrellas, slickers and pieces of tarpaulin, for it rained incessantly. And there they stayed. There's an unwritten but accepted code about such queueing. Without losing their places squatters are permitted to leave for an hour in order to eat and attend to other necessary matters.

Bright spot came when, in the middle of a downpour, a Covent Garden market porter passed by the line. "Waiting for Swan Lake?" he asked a woman huddled under totally inadequate shelter. She nodded. "Well, ducky," said the Cockney, "let me know when you get enough water!"

Tickets for the opening night had to be applied for by mail. Letters have been coming in since March; during the past few weeks at the rate of 2,000 a day. Seats will be allotted by drawings from a hat.

* * *

STATISTICS aren't dull when they are prepared by the National Trade Development Association, which with titular dignity embraces the brewers and licensed victuallers of Great Britain. It reveals that during 1955 Britons drank enough beer to float 89 battleships the size of the mighty Vanguard. At that, individual consumption in the U. K. isn't as great as it is in Belgium, which had an international record of 30.8 gallons per person.

Working out world consumption of beer, the Association estimates that the quantity imbibed last year would flood the entire 117 square miles of the County of London to a depth of four inches.

Should you be interested in cold figures, that means 6,520,000,000 gallons; 179,000,000 gallons more than in 1954.

* * *

I HAVEN'T HAD the hardihood to journey to Edinburgh for the Festival. But friends of mine who are more experienced frogmen have come back with rather glowing reports of the reception given to the Canadian Stratford players who are presenting "Henry V." As for the professional critics, the Daily Telegraph's Patrick Gibbs found the production remarkable for clear speaking, speed and vitality—"brimful of life," he said. He also gave high praise to the French Canadian actors and actresses in the characters of the French court—"Seldom have I known the scene of the English lesson so authentic or so amusing."

If it would only stop raining!

Stop Me If . . .

Through the heat and dust of the country road tramped a squad of new recruits, their brows wet and their tongues dry. As they passed a cosy little pub, the sergeant turned to them and announced: "Now you know the difference between hiking and route-marching. When you route-march, you pass 'em."

* * *

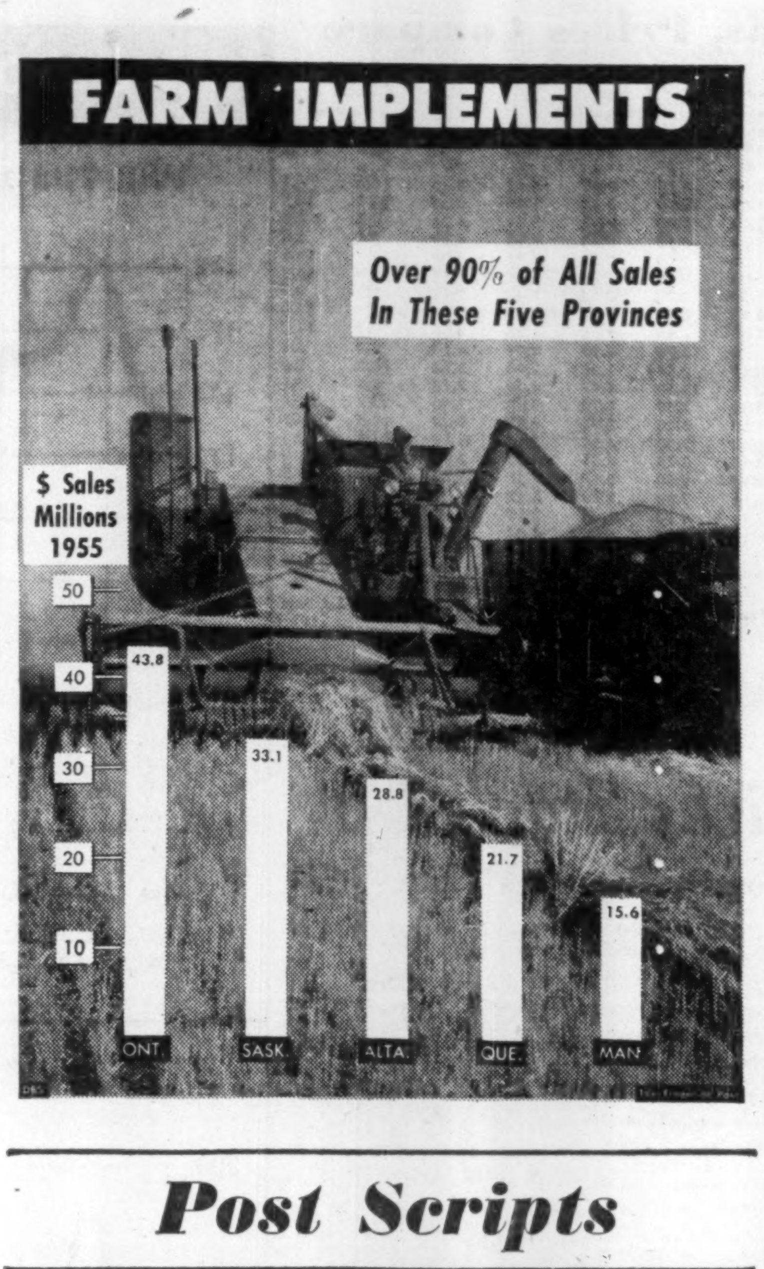
A man had posted himself in front of an office building with a tray of shoelaces. One executive made it a daily habit to give the unfortunate a dime, but he never took the laces. One day the peddler, on receiving the dime, tapped his departing benefactor on the back: "I don't like to complain, sir, but the laces are now 15c."

* * *

"Yes," sobbed the woman in the divorce court, "my husband hasn't spoken to me in ten years."

"Is that true?" asked the judge.

"Yes, your honor, but I didn't want to interrupt her."



Post Scripts

Twin Specialist Takes Charge

A specialist in two sciences — agriculture and economics — has recently been placed in charge of direct worldwide operations of Massey-Harris-Ferguson Ltd. Albert A. Thornbrough, executive vice-president of the giant farm equipment manufacturing and distributing firm at Toronto, took over his new duties following the resignation of President James S. Duncan.

MR. THORNBROUGH

Born at Lakin, Kans., in the heart of the U. S. wheat belt 44 years ago, Thornbrough spent some of his earliest years on a homestead farm which his family had taken up in 1916. At school in Lakin during the 1920s, he played basketball, tennis and clarinet—the last in an orchestra that won the Kansas high school championship.

While studying agricultural economics at famed Kansas State College, Thornbrough distinguished himself by achieving the presidency of his fraternity and of his senior class, and the rank of colonel in the College's Reserve Officers Training Corp. He climaxed his career there by graduating in 1935 with the highest scholastic standing achieved until then on the Kansas campus.

With that record, it wasn't difficult to win a scholarship awarded by Harvard's graduate school. The next year, he won the most generous fellowship then available, using it to complete the work for his M.A. in the economics of agriculture and the courses needed in preparation for a Ph.D.

For the next two years, Thornbrough lectured at Harvard and worked on a doctoral thesis on the role of machinery in agriculture. In 1939, he went to Washington to help the U. S. Department of Agriculture prepare a similar study. Then followed another year at Harvard, a second year at Washington as chief of the farm machinery and tractor branch, Office of Price Administration, and finally entry into the U.S. Army as a second lieutenant.

In 1946, after four years spent chiefly in personnel and administration at amphibious training centres. Lt.-Col. Thornbrough was demobilized. By this time, he had decided that his future was in industry rather than on the campus.

He joined Harry Ferguson Inc. at Detroit at perhaps the darkest moment in the history of the tractor-manufacturing firm. The Ford Motor Co., which had been making Ferguson's tractors, had just announced that it was going to manufacture tractors on its own. All 2,800 Ferguson dealers, and 28 of 35 Ferguson distributors, deserted to Ford.

Thornbrough, first as assistant to the president of the U.S. Ferguson firm, and later as director of procurement, devoted much of his energy to speeding the re-establishment of tractor production. Within 10 months, a new plant was producing 100 tractors a day, and the distribution system had been rebuilt. By 1952, four years after the Ferguson plant had gone into production, its sales reached $72 million annually.

When the Massey-Harris and Ferguson companies amalgamated in 1953, he went to the head office of the U.S. subsidiary of M-H at Racine, Wis., as vice-president in charge of procurement. One year later he was brought to the parent company's headquarters at Toronto and made executive vice-president, Oct. 1, 1955.

Thornbrough met his wife, the former Virginia Dole, at Kansas State. They have three children at school — Susan, 15; Wayne, 12, and Grant, 9. A family hobby at Detroit was week-end cruising on their 38 ft., twin-screw boat. Another interest, but one more difficult to pursue, is deep-sea fishing.

* * *

New Law — New Job

The other day a customer walked into a Winnipeg drugstore and asked for a mickey of rye. When the clerk directed him to the nearest government liquor store, the customer was indignant. Didn't the proprietor know, he asked, that the new Manitoba liquor law is now in effect?

MR. HALSTEAD

The citizen in question is now presumably aware that nowhere in the new liquor law's 387 pages is a clause permitting the sale of rye over the counter in Winnipeg drugstores. Until local option votes are held (probably next fall) there can be no change in the type of liquor outlet available to Manitobans.

The job of regulating both new and old outlets, and of familiarizing the public with the provisions of the new liquor law, goes to a three-man commission headed by a Manitoban who probably knows as much about the administration and enforcement of liquor legislation as any man alive: Barnard Halstead, former secretary to the Bracken Commission.

Halstead's job with the commission was primarily to co-ordinate the work of the various experts called to advise on liquor policy, and to set up public hearings; but he took special interest in the section of the report dealing with liquor legislation in other parts of the world, other provinces in Canada, and various states of the Union.

Halstead's acquaintance with this subject began in the days when he worked for the Hudson's Bay Company as assistant manager of the wines and spirits division. This job brought him into contact with many sets of liquor regulations. Working out of Winnipeg, he got to know Canadian regulations at first hand. Working out of New York, he had experience with the liquor laws in most of the American states. "One thing I saw almost everywhere," he says now, "was the difference between what a liquor law is intended to do, and what it actually accomplishes. Another thing I learned is that the essential ingredient in any liquor legislation is public acceptance. You have to have an act that people are prepared to support, and you have to have the co-operation of consumers, distributors, and the general public in order to make the act do its job."

Halstead was born in Calgary in 1914, one of three children of John Halstead, divisional freight agent for the CPR. The family moved to Winnipeg in 1920, and the children went to school and university in Winnipeg. After studying accountancy Halstead went to work for Western Grocers, wholesalers, in 1934. Three years later he went to the Hudson's Bay Company, where he stayed, with time out for four year's service as an RCAF pilot in World War II, until 1949 when he set up his own manufacturers' sales agency, dealing in clothing and accessories.

The new commissioner is married, with two children, Brian and Nancy. Among other forms of recreation, he enjoys membership in the Society for the Preservation and Encouragement of Barbershop Quartet Singing.

What Others Are Saying

Editorial of the Week

Allies are Not Satellites

Calgary Herald

To be a Canadian, and proud of being one to the point where we refuse to let ourselves be walked on, is certainly no crime in anybody's language. It is not "anti"-anything. To be otherwise is tantamount to volunteering for the job of being hewers of wood and drawers of water for a powerful neighbor, a suggestion which the great majority of Canadians will quickly reject.

As for the fact of American leadership in the world, no Canadian disputes that point. But that does not mean that Canada, or any of the United States' allies, should be docile followers of Washington policy if they believe it is unsound or basically wrong.

Criticism and negotiation, the spirit of give-and-take among allies, have always been the secret of the strength of the free world and democracy and we would not have it otherwise.

The term allies is far different in meaning from satellites, the first implying a full partnership with an equal voice on common interests, the other implying an abject subservience to the will and the wishes of another with scraps being thrown to them as a reward for unquestioning obedience.

Canadians have no intention of becoming a satellite.

Other People's Views

ONTARIO'S REFORESTATION program of 13 million trees planted last spring is equivalent, the **North Bay Nugget** estimates, "to a 1,000-mile windbreak, 100 feet wide, spanning Ontario from Manitoba to Quebec."

WHAT HAS HAPPENED to the cane in Canada, asks the **Montreal Star.** "For real or imagined motives, a few stick to the habit. But they are rare birds. The fact of the matter is that in our automotive and rush-to-get-places age, we prefer running to walking."

OTTAWA'S OFFER of increased help to the provinces in building the Trans-Canada Highway doesn't mean that this project will be completed soon, argues the **Hamilton Spectator.** "Urban and inter-urban motor traffic in the provinces is demanding more and more of the total road budget. Despite Ottawa's offer of an increased share of costs, some of the provinces will be slow in raising the funds to match it.

IF THE GOVERNMENT gets the climate right, argues the **Winnipeg Free Press,** "the public can spend and save its money as it chooses, the business corporation can expand or not as it thinks profitable, without advice or exhortation or control from the Government. Who is the Minister of Finance, or any Ottawa official, to say that a business firm's investment plans are prudent or imprudent? That is for the people who are risking their own money to decide."

IT IS NOT THE NATURAL RESOURCES but their use that counts, points out the **Fundy (N.B.) Fisherman:** "The real wealth of a nation is the natural resources with which it is endowed by nature, plus the abilities and energies of its people. For the resources, in themselves, provide neither employment, nor purchasing power, but represent only a potential which becomes real when the resources, taken from the land, the sea and the forest are made use of as raw materials from which may be processed the needs of humankind. The process of manufacturing goods from the raw resources and the movement of the goods to the consumer creates employment and an ability on the part of the people to pay for their personal requirements."

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September 8, 1956

Open Door For Skillpower

(Continued from page 1)
and March is wide by recent standards.

There are still some non-seasonal occupations offering many vacancies, which are rather inexplicably confined to winter arrivals from Britain and France.

The major categories of construction workers are to be excluded from the end of October until April. This covers not only bricklayers and cement-finishers, who may have to work out of doors, but painters and paper-hangers and carpenters.

Plasterers will be admitted, but only from the U. K. and France.

Operators of construction machinery, including excavating, grading and lifting equipment, may be admitted from anywhere and have a priority.

So have plumbers and pipefitters.

But all the construction trades which are to be excluded or limited are in short supply, particularly in Western Canada.

Undoubtedly some technical calculation about winter employment lies behind the distinctions which at first glance appear curious. But the question must be raised whether the bureaucrats have not become over-sophisticated in their selections.

Permanent Shadow

Over every exclusion—even if it is only for a period of five months—hangs a more permanent shadow. The European, skilled in some occupation which Canada needs, may never ask again once he has been choked off.

Certainly nobody wants him to arrive to face unemployment. But immigrants — specially the kind of skilled tradesmen we want—are not like packages of freight which you can order forward whenever you happen to want them.

If we took a longer-term view, we'd be more leery of this stop-and-go business.

However odd some of the exclusions appear, at least the list of occupations to be admitted is a considerable improvement over previous years when Canada's urgent need for immigrants was less apparent.

Cover All Classes

It is understood that it will cover all classes of engineers, surveyors, nurses and teachers. Draughtsmen are to be restricted to U. K. and France; so are accountants, bookkeepers and cashiers.

But stenographers, punch-card operators, switchboard operators, farm-workers and log-cutters can come from anywhere.

Miners (except for coal) will be admissible along with tailors, dressmakers, shoemakers and upholsterers. Cabinet makers are in: carpenters are out. Nearly all the metal-working trades may come, but millwrights only from Britain and France.

Winter admission in the printing trades is also restricted to Britain and France. Dry cleaners and launderers, rather mysteriously, are out for the winter months.

But there's a happy ending in general admission for butchers, bakers, waiters and domestics of all kinds, and that essential class of skilled workers described by the word "beautician".

Now, here is our January-June record:

Record in Skills

Nearly one third of the 40,000 new workers who came to Canada in the first half of this year were skilled operators in manufacturing, mechanics or construction.

This is the highest proportion yet reached: it was 32.2% this year, compared with 27% for the last ten years.

Admissions in this category numbered 12,900. This includes bakers and butchers, tailors and dressmakers, upholsterers and printers—all of whom are in short supply in many regions of Canada. But most of them were skilled workers for heavy industry.

In the six months we brought in 1,235 brick and stone masons—more than 3% of all the new workers; 1,400 carpenters; 1,550 mechanics and repairmen, nearly half of them for automobiles.

Lumping different metal-working trades together, we admitted nearly 2,900 in six months, excluding the mechanics and repairmen.

In construction, there were nearly 1,500 workers besides 700 electricians and wiremen.

Mixed Record

In other fields of acute shortage, the 1956 record is mixed. We did better with stenographers and other clerical workers, who made up nearly 10% of the new workers in first half 1956 (10-year average: 7.4%). We flopped on needed farm workers with only 4,400 or 11%, compared with the post-war average of 22%.

General laborers, also, were down to 4,826 in the six months, only 12% of total workers. The 10-year average is 13%, though it has been higher in recent years.

Miners, who are needed in several parts of Canada (though not for coal), were slightly above their usual proportion, but there were less than 250 of them.

Professional workers, at 3,850 for the six months, improved on last year's rate but didn't quite match 1954's. The most important class of them—the engineers—may just match last year's intake.

Decline Since 1953

But that would be merely to halt a decline which has been going on since 1953. They are still very important when you put the immigrant rate beside the rate of Canadian graduations. But unfortunately immigration isn't increasing.

The most encouraging increase among professionals was in draughtsmen and designers—600 of them in six months, which is well above the previous rate.

New doctors in the six months numbered 156. This is another figure that doesn't look very impressive by itself. But compare it with Canadian graduations and it looks pretty important. It is nearly one fifth of the new M.D.'s graduated from Canadian colleges. There were only 826 of them for the year, and the immigrant figure is for half time.

Banks Boost Interest Rate On Savings

This week Canada's chartered banks announced that the interest rate paid on savings accounts would be increased from 2¼% to 2½% effective Sept. 15. This is the second boost given to interest on savings in six weeks and brings the rate to its highest point since 1934.

The higher interest rate is designed to encourage thrift and savings, states the Canadian Bankers' Association. It is also regarded as complementing the banks' recent increase in interest charges on loans (FP, Aug. 25).

Paid on April 30 and Oct. 31, interest on savings accounts is calculated on the minimum quarterly balance held in the account.

Canada Imports Skills

(JAN.-JUNE, 1956)
Selected Groups

PROFESSIONS: Graduations from Canadian universities in 1956 are given in brackets, where applicable. In some cases the comparison is not exact, but it gives an idea of how six months' immigration stands against a full year's graduations.

	Immigrants	Graduations (1956)
Accountants & auditors	186	....
Architects	95	98
Chemists (not pharmacists)	108	80*
Dentists	12	189
Draughtsmen & designers	599	....
Aeronautical	68	13
Chemical	42	220
Civil & others	259	660**
Forestry	4	22
Electrical	168	335
Mechanical	144	367
Metallurgical	2	52
Mining	27	41
Total Engineers	714	1,709
Lab. technicians	170	....
Graduate nurses	583	1,642***
Physicians & surgeons	156	826
Teachers & professors	232	1,853****
Other professionals	992	....
Total Professional	3,847	....
MANAGERIAL:		
Owners, managers and officials	475	722*****

*Graduates in pure science.
**440 graduates in civil engineering and 220 in other specialties.
***1,506 diplomas and 136 B.Sc. (nursing). In addition add 550 taking diploma courses in hospital schools of nursing connected with University of Montreal.
****College courses of education, of which two-thirds diploma courses.
*****Graduates in commerce and business administration.

	Immigrants	Graduations (1956)
SKILLED INDUSTRIAL WORKERS:		
Airplane mechanics	101	....
Auto mechanics	742	....
Machine operators	392	....
Machinists	360	....
Mechanics & repairmen	806	....
Metal fitters and assemblers	738	....
Millwrights	8	....
Moulders	92	....
Sheetmetal workers and tinsmiths	130	....
Toolmakers, diemakers, setters	282	....
Welders & flamecutters	403	....
SKILLED CONSTRUCTION WORKERS:		
Brick & stone masons	1,235	....
Carpenters	1,418	....
Electricians & wiremen	662	....
Painters, decorators, glaziers	567	....
Plasterers & lathers	114	....
Plumbers & pipefitters	349	....
Construction and machinery operators	91	....
Others	188	....
OTHER GROUPS:		
Clerical workers	4,336	....
Transportation workers	736	....
Communications	294	....
Commercial:		
Travelers and salesmen	828	....
Sales clerks	531	....
Others in trade	261	....
Total Commercial	1,620	....
Domestic servants	3,479	....
Agricultural	4,465	....
Bushmen & lumbermen	215	....
Miners	221	....
General laborers	4,826	....
TOTAL WORKERS	40,009	....
TOTAL DEPENDENTS	29,835	....
TOTAL IMMIGRATION:		
Jan.-June 1956	69,924	....
Jan.-June 1955	58,417	....
Jan.-June 1954	85,765	....
Jan.-June 1953	78,336	....

Home Builders Go To Market

(Continued from page 1)
an important factor in the increased interest in Home Week is the large number of sales which resulted directly and indirectly from the 1955 exhibition. This year, it is believed that hundreds of direct sales and thousands of indirect sales will result.

Government and civic authorities were expected to attend the official launching of Home Week at a weekend dinner meeting of the Home Builders' Association of Greater Ottawa chaired by NHBA Director John Caulfield Smith, Toronto.

Local associations taking part in the drive are those in Calgary, Winnipeg, Windsor, Sarnia, Delhi, Kitchener - Waterloo, Hamilton, Toronto, Ottawa, Montreal and Halifax. In Calgary, a parade of 44 model homes is planned.

With the exception of Halifax, and Hamilton and Windsor areas in Ontario, housing starts in the cities covered by the exhibiting associations were down in July last as against July 1955. In most of those areas, the lack of serviced land was as big a restraining factor as credit restrictions.

Here is a preliminary survey of housing figures in some of the principal city areas in July last:

	Starts		Completions	
	1956	1955	1956	1955
Greater Montreal	2,505	3,115	1,761	1,767
Greater Halifax	161	107	81	92
Calgary	286	307	441	194
Greater Toronto	2,858	2,901	1,638	1,852
Hamilton Area	391	325	431	141
Ottawa Area	489	568	360	283

But sales of new homes have continued brisk if not quite up to last year's levels in some cases. It is estimated that 273 new homes were sold in Winnipeg in July last as against 311 in the same month a year ago while in Calgary last July's sales were just on the 400 mark.

In Greater Toronto, about 1,600 new homes were sold last July and Hamilton's total of sales was just over 400 with Ottawa coming close with about 360 sales. The Windsor area chalked up around 130 new home sales in July.

Bowater Interim Dividend Likely

MONTREAL (Staff)—**Bowater Paper Corp.** will hold a board meeting Sept. 13, to consider payment of an interim dividend on the ordinary stock of the Corporation. If approved, payment will be made on Oct. 29 to shareholders of record Sept. 15.

An interim consolidated financial statement for the six months ended June 30, 1956, will be mailed to shareholders on Sept. 13.

On Holiday

J. B. McGeachy, whose column usually appears in this space, is currently on holiday in Britain and Western Europe.

Royran Cliff Merger Starts Giant Project

(Continued from page 1)
smelting-fabricating empire (FP, July 7).

The proposed merger involves **Copper Cliff Consolidated Mining Corp.** and **New Royran Copper Mines.**

Previously, these two firms pooled part of their holdings in a jointly owned company—**Copper Rand Chibougamau Mines** (FP, March 31). But now, directors of the two companies have decided to broaden the scope of their original plan by fully joining forces.

Shareholders will consider the new agreement calling for a full merger at special meetings on Sept. 18.

Basis of the new arrangement calls for sale of the assets of New Royran and Copper Cliff to Copper Rand.

—Shareholders of Copper Cliff will receive one share of Copper Rand for every two Copper Cliff held (a 20 to 40 ratio).

—Shareholders of New Royran will receive 21 shares of Copper Rand for every 40 New Royran held.

Both Copper Cliff and New Royran shares are trading at about $4.

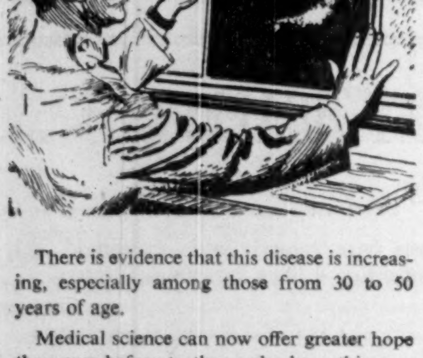
The combination of these mining development companies into one organization will give Copper Rand:

—Mining properties in Chibougamau covering 11,650 acres, equal to 18 square miles.

—A holding of more than one million shares of **Chibougamau Jaculet Mines** (market price, $5.50), another potential Chibougamau area mine, and 84,000 shares in **Eastern Mining and Smelting** (market price, $6.25).

"Stomach" Ulcer

MANY THOUSANDS of people in our country today have ulcers of the digestive system in an active form. This includes both ulcers of the *stomach* and ulcers of the *duodenum* — that part of the small intestine into which the stomach empties.



There is evidence that this disease is increasing, especially among those from 30 to 50 years of age.

Medical science can now offer greater hope than ever before to those who have this condition. Many cases can be cured completely, and others can be controlled.

This has been made possible largely by increased knowledge of the nature of the disease — particularly of the part that the emotions play in causing ulcers. There has also been great improvement in methods of diagnosis and treatment.

An ulcer is essentially an irritated or inflamed area in the lining of the stomach or duodenum. Although the *exact* cause is unknown, there are several factors which may be responsible for its onset.

Constant abuse of the stomach through eating hurried, irregular meals — or eating food that is too highly seasoned, or too hot or too cold — may lead to an ulcer.

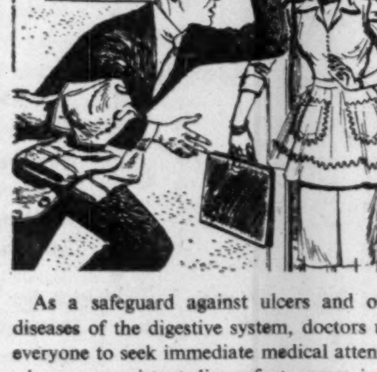
Prolonged emotional tension, accompanied by *excessive* secretion of the acid digestive juices formed by the stomach, is also believed to be an important factor in the development of this ailment.

As the ulcer develops, pain, an unnatural feeling of hunger, so-called "heartburn" and "indigestion," or other digestive complaints usually occur.

Through improved X-ray techniques and other diagnostic aids, the doctor can almost always determine the size and location of an ulcer. If the condition is detected, he will recommend prompt treatment, as an ulcer may quickly undermine general health by interfering with the body's nutritive processes.

Fortunately, in many cases, ulcers can be treated successfully by appropriate dietary measures. Specialists say that the patient must also readjust his daily life so as to reduce mental and emotional strain.

In addition, new drugs are proving helpful. Cases that do not respond to either drug or diet therapy are often benefited by surgery.



As a safeguard against ulcers and other diseases of the digestive system, doctors urge everyone to seek immediate medical attention whenever persistent discomfort occurs in the region of the stomach.

With prompt medical care, many persons with ulcers and other digestive disorders recover completely and lead normal, healthy lives.

* * * * *

Since emotional factors are often so important in stomach ulcers and other diseases, Metropolitan has published a new booklet called Emotions and Physical Health. *If you would like a free copy, just clip and mail the coupon below.*

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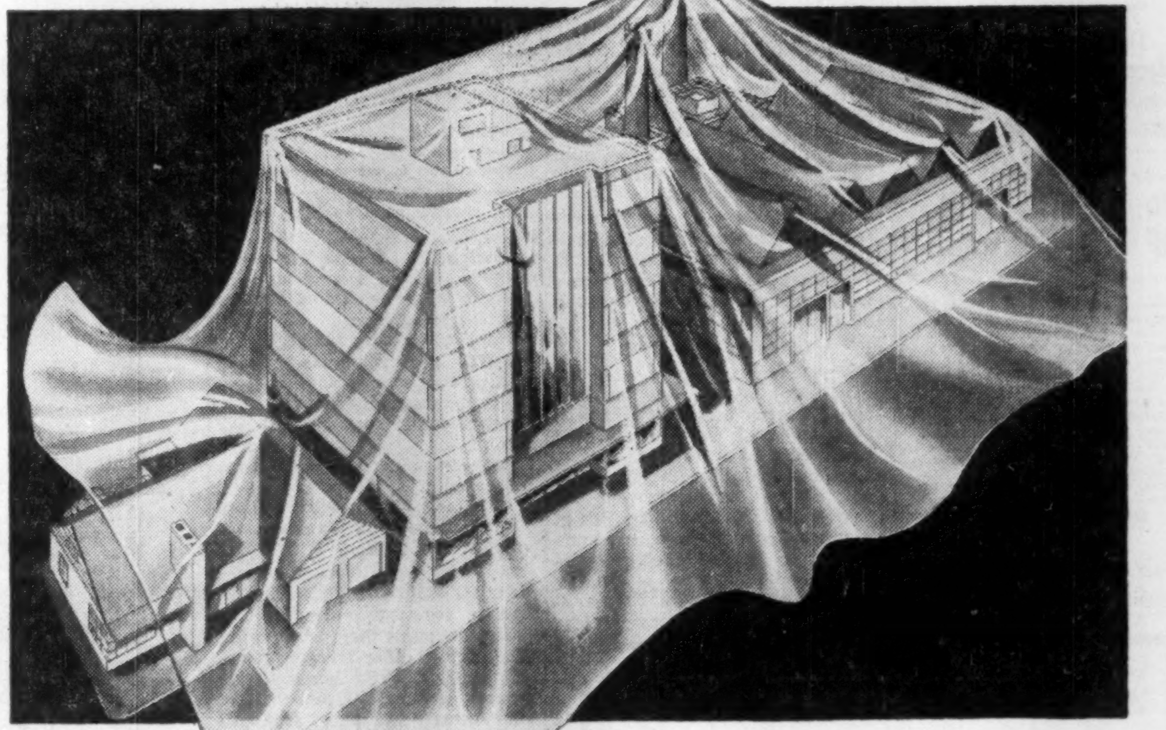

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U.S. Guano Venture New Canadian 'Find'

(Continued from page 1)

dian. The timber leases will supply the raw material for North Western Pulp. North Canadian shares are trading at $6.75.

Could Change Pattern

The Grand Canyon guano production, planned originally for the fertilizer market, may in large part be channeled into making pharmaceuticals.

If plans work out, this development could change the whole pattern of raw material supply for one of the major segments of the pharmaceutical manufacturing industry.

Chemists predict that the prehistoric bat guano would give the industry something it can't find anywhere else; an easily-processed, natural product that will make a range of eight or nine products of the nucleic acid group.

These pharmaceuticals are used in pharmacology, for medicinal purposes and in nutrition.

Production now is by costly synthetic methods. Processing guano, chemists believe, could be done by a cheap solution-type process.

The company estimates such a plant could be built for some $150,000.

Details of the plan are expected to be worked out shortly. A pilot plant would likely be built in Toronto to establish a production basis.

Unique Plan

Engineers call the Grand Canyon recovery plan unique in the world. Here's how it's done:

Operating from a rock ledge 1,200 ft. above the river, a small crew will take the guano from limestone caves in the wall by means of a suction method, using flexible pipes powered by electric motor.

The material, in fine, dry powder form, will be carried by cable across an 8,700-ft. tramway spanning the gorge. Engineers believe it will be the largest single-span tramway in the world.

Because of difficulty of access, only one of a series of seven known caves has been investigated. It contains an estimated 100,000 tons of guano. A small passage is believed to connect the caves, so that the company expects to find similar deposits in the other six caves.

Production will start before year's end. Initial production of some 9,000 tons a year will be bagged for sale as high nitrogen fertilizer to a large U. S. west coast rose grower.

New Pacific officials say more than $100 a ton will be netted from fertilizer sales. Capital outlay to get into production is estimated at just under $500,000.

Will Startle World

Plan was to sell the entire output under contract. Then the pharmaceutical industry took notice.

Tests by the Ontario Research Foundation showed that the guano could be used in making uric acid, guanine, adenine, xanthine and other related pharmaceuticals.

New Pacific entered the field over a year ago when it acquired all the shares of **Randall Mills Corp.** in the U. S., complete with the Grand Canyon cave leases from the Government.

Interests In Canada

In Canada, New Pacific's chief interests involve real estate, utilities, pulp, oil and gas in Alberta.

North Canadian Oils Ltd., in which New Pacific holds a 350,000-share interest, is participating in Alberta's first pulp mill which will start production early next year. Mill site is in the Athabasca valley, 160 miles west of Edmonton.

Through wholly owned subsidiaries, New Pacific is also tackling a $10 million townsite proposition near the pulp mill and a scheme to provide utilities to the town whose population is expected to reach 7,500 in a year or two.

Athabasca Valley Development Corp. is carrying out the town building plan on a 550-acre site, selling business and residential lots and prefabricating houses. Another New Pacific subsidiary, **Athabasca Valley Utilities Ltd.,** holds a 10-year lease to supply the town with water, light, power and gas.

The mill is being built by **North Western Pulp & Power Ltd.,** owned 50-50 by North Canadian Oils and the giant, multi-plant St. Regis Paper Co.

Initial output will be 150,000 tons of bleached sulphate pulp yearly, with a rise to 350,000 tons planned by 1960.

Roy Ferguson, St. Regis president, is president of North Western Pulp & Power. Frank E. Ruben, president of New Pacific and North Canadian, is chairman of the board.

Company's Finances

New Pacific, as yet, does not have any income. In the year ended March 31, 1956, it had a loss of $56,421, including writing down an investment in North Pacific Exploration by $32,122 to $1. Balance sheet showed the shares in North Canadian Oils at $1,050,000 cost and having a market value of $1,697,500. Investment and advances to wholly owned subsidiaries is shown at $335,282. Current assets total $208,658 and current liabilities, $8,599.

Losses of wholly owned subsidiaries are not reflected in New Pacific accounts. Athabasca Valley Development had a loss of $45,161, U. S. Guano Corp. had pre-production expenses of $34,662. Randall Mills is not operating but holds the leases on the Guano caves.

There are 1,500 preferred shares outstanding of 7,500 5½% cumulative $100 par authorized. Dividend arrears on these shares totaled $33,000 at March 31. The four million issued common of five million authorized currently trade at about $1.85. They climbed from a low of $1.48 in May to a high of $2.05 in July. Last year they traded in a $2.50 to 79c range.

New Pacific sold 350,000 shares during the year at prices ranging from $1 a share to $1.50 and issued 150,000 as part payment for purchase of Randall Mills Corp.

JOHN S. DEWAR

has been appointed vice-president of Union Carbide Canada Ltd.; retains presidency of National Carbon Co.

ANNOUNCEMENT

ROTOR ELECTRIC APPOINTMENT

DALE MURPHY

Mr. Marvin Benny, President of Rotor Electric Co. Ltd. and Roto-Broil (Canada) Ltd., announces the appointment of Mr. Dale Murphy as Executive Vice-President of both companies. For the past 18 years, Mr. Murphy has been associated with Canadian General Electric Co. Ltd. holding various positions. During the last four years he was Manager — Small Appliance Sales for Canada.

Approximate Quotes

SUPERVISED FUNDS

	Bid	Asked
Supervised Income Fund	$4.47	$4.52
" Growth Fund	2.49	2.52
" American Fund	6.28	6.34
(1955) Executive Fund	37.01	...
(1956) Executive Fund	30.37	31.68

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Business established 1903. Offices from coast to coast.

56-21

Foreign Holdings Triple, Pay Half Our Trade Debit

(Continued from page 1)

inflation. We get great immediate prosperity. We buy far more imported goods than the nation's earnings can pay for. We spend freely on foreign travel. And our new borrowing enables us to pay a growing bill of interest and dividends on past borrowing.

And alongside all this, we have the growing load of foreign debt and increasing foreign ownership of Canadian business.

The foreign purchasers of Canadian securities get, of course, a larger share in the ownership and the ultimate profits of our business. And they get a lot of our obligations which carry fixed interest payments now and assurance of repayment later on.

The Canadian stocks and bonds which were sold to foreigners in the second quarter of this year were worth $195 million. That was on top of first-quarter sales of $110 million.

It has only been matched in one previous quarter of our history. That was in the hectic third quarter of 1950 when the inflow of speculative capital finally drove Canada off a fixed rate of exchange. The net inflow into Canadian securities then was $262 million—not so very far ahead of is year. Coupled with other forms of inflow, it cost the Bank of Canada $700 million of the official reserves in trying to hold the exchange rate. And then they let it go anyway.

What makes this year's record so startling in comparison with other postwar years is that the traffic (on a net basis) is much more nearly all one way than in earlier years, whether you look at stocks or bonds, new issues or at trading in outstanding securities.

Here is the breakdown:

Stocks (common and preference shares in Canadian companies):

New issues, less retirements: sold $31 million.

Trade in outstanding issues: sold $62 million.

Total stocks sold: $93 million.

Bonds (governments, municipalities and corporations):

New issues sold: $138 million.

Retirements, repurchased: $22 million.

Trade in outstanding issues: repurchased $14 million.

Total bonds sold: $102 million.

Total net sale of Canadian securities: $195 million.

In the second quarter, Canadians also sold out $11 million in foreign securities, mostly U. S. stocks. In return they bought only $5 million of other foreign securities, mostly U. S. bonds. This brought the capital inflow from total security trading to $201 million in the three months.

Three months' figures by themselves can be misleading and different considerations apply to stocks and bonds. So look at some longer trends for each of them:

1. Stock transactions. This is the way Canadians' sales of Canadian stocks to foreigners has gone in the last three years:

	$ millions
1953 year	61
1954 year	134
1955 first half	165
1955 second half	42
1956 first half	130

The first half's transactions in 1956 comprised sales of $94 million in outstanding securities, plus new issues of $35 million net. In the first half of last year, sales of outstanding stocks came to $109 million and new issues to $56 million.

The total of new Canadian stock issues in the first half of this year must have been between $300 and $400 million, so direct purchase of new issues by foreigners wasn't more than a rough 10%.

But another way of looking at it is to include purchase of outstanding securities. Then you can say that foreigners' purchases of $130 million in all Canadian stocks accounted for at least one third of the total addition made to Canadian issues during the period.

In the first half of this year, the United Kingdom and foreign countries other than the U. S. accounted for a much larger proportion of the foreign purchase of Canadian stocks. The $93.5 million of outstanding stocks was distributed like this:

To the U. S.: $58.5 million.
To U. K.: $17.8 million.
To other foreign: $17.3 million.

For U. K. and other foreign countries, this represents a new high rate of stock purchasing in Canada. For both of them it is greater than total purchase of outstanding stocks in each of the two previous whole years.

2. Bond transactions. The new bond issues bought by foreigners in the first half of this year went more than 90% to the United States and about 85% of them were U. S.-pay. The new issue total for six months came to $239 million, offset by retirements of $96 million. The resulting $143 million net is more than our foreign bond borrowing in either of the two previous whole years; and it very nearly matches the $160 million of new foreign bond issues in 1953.

It puts a very abrupt end to the period in which we were buying back Canadian bonds. 1955 looks like standing alone as a year in which we reduced our outstanding bonded debt abroad. Its net repatriation of $78 million was more than wiped out in the second quarter alone, with net new issues of $116 million.

Over the first six months the total effect was a considerable net sale to the U. S. Repurchases of $14 million in the second quarter didn't really match sales of $46 million in the first quarter.

Here is a quarter-by-quarter record of security transactions with foreigners since the beginning of 1955 (in $ million):

Stocks	1955 I	1955 II	1955 III	1955 IV	1956 I	1956 II
Trade in outstandings	+51	+58	+25	+13	+32	+62
Net new issues	+44	+12	+1	+3	+5	+31
Total stocks	+95	+70	+26	+16	+37	+93
Bonds						
Trade in outstandings	—82	—51	—46	+15	+46	—14
Net new issues	—20	—45	—3	—10	+27	+116
Total bonds	—102	—96	—49	+5	+73	+102
Total stocks & bonds	—7	—26	—23	+21	+110	+195

Plus means sale to foreigners; minus means repurchases from foreigners.

Economy Shows Strength In Boom in Durable Goods

(Continued from page 1)

greater than durable manufacturing. The six-month total output for mines showed less than twice the growth of durable manufactures. On the June comparison, durable manufacturing was actually further ahead than mining (10.4% compared with 7.9%).

Paced by Electrical Industry

If these comparisons are not to be misleading, however, it is necessary to remember that:

- Nondurable manufactures are still bringing up the rear of the parade as far as Canadian expansion is concerned (though this year they have consistently shown better growth than nondurables in the U. S.).
- Construction has become the Canadian pace-setter. Comparable figures are difficult to find; but this one gives a fair view:
- Employment in construction in June was 18% higher than last year. The increase in employment (still on seasonally adjusted figures) was 9% for mining, 8% for durable manfacturing, and 3% for nondurable manufacturing.
- The growth of durable manufacturing owes most to the electrical industry. Its June-June increase in output was 17%. Scarce building materials — notably cement — expanded even faster (cement by 22%); but they play a smaller role in the total output. Iron and steel products came chasing on the heels of the electrical apparatus industry with a growth of more than 13% in output.
- In all comparisons with the U. S. the contrasting state of the automobile industries is all-important. While Canada, not having been oversold last year, almost matched last year's rate of automobile output—passed it if trucks are included — U. S. car output was well down, and helped to drag down the whole durable manufacturing sector.

Here, for comparison, are the nearest comparable figures for construction and nondurable manufacturing:

—Total value of building permits, seasonally adjusted, was running in May already 13% ahead of the average for 1955. For this summer's actual volume of work the 18% increase in June employment is probably a better indicator.

—But the May seasonally adjusted figures to give a valuable hint about what kind of building is leading the boom. This is the comparison:

Industrial construction: 40% ahead of a year earlier.

Institutional and governmental: 16% **behind.**

Residential: 4½% ahead.

Commercial: 25% ahead.

Nondurable manufacturing—in direct contrast to the durable goods sector—slowed its pace of growth through the first half of the year.

In the first quarter it was 7% ahead of last year; on the six months total the increase was 5.7%; on June alone it was only 4.9%.

But compare the same U. S. index. First quarter 6.3% ahead; first six months 3.6% ahead; June level with June last year.

The total accumulation of manufacturers' inventories over the first half of the year is expected to be, by a very wide margin, the biggest we have seen since 1951. In the first quarter the net addition to business stocks reached the amazingly high annual rate of about $1¼ billion.

The second quarter, for which figures will be available soon, will probably not be nearly so large. But the accumulation of stocks in the second quarter is still expected to be considerably higher than any previous quarter since 1951. It may be equivalent to an annual rate of $600-$800 million.

If, during the early part of the year, businessmen had been mistaken in expecting a very high rate of activity, then such a massive increase in stocks might have turned out to have unfortunate results. But in the event it has merely put Canadian industry in a very good position to meet the booming demand.

Two signs about inventories, which seem particularly reassuring:

(1) In the consumer goods industries the increase since last June is only about 5%. In the capital goods industries and in construction supplies, where the pressure is really on, the increase since last year is of the order of 25%.

(2) The biggest increase, June-June, is in raw materials (11.3%), and the smallest in goods in process (6.3%). Increase in finished goods inventories is 10%.

Compared with our over-all increase of 9.7% in total inventories since last June, the increase in the U. S. was 12%.

Look For It Here

September 8, 1956

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ANNOUNCEMENT

Mr. Wm. M. Smart, former Director, Vice-President, Secretary and Treasurer of Union Carbide Canada Limited, Toronto, has been appointed a Vice President, Union Carbide Nuclear Company, A Division of Union Carbide and Carbon Corporation, New York.

Dividend Changes

Sheep Creek Gold Mines — Common, 5c payable No. 1 to holders of record Oct. 1, ex-dividend Oct. 27. First payment since 2c paid Jan. 15, 1953. Recent price: $1.50.

B. Greening Wire Co. — Common 5c plus 10c payable Oct. 1 to holders of record Sept. 15, ex-dividend Sept. 12. Previously, extra of 5c a share paid. Recent price: $5.

NEW ISSUE

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without nominal or par value

INTER-CITY GAS LIMITED
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First Mortgage Bonds	$ 500,000
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A prospectus fully describing this issue will be forwarded on request.

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JAMES RICHARDSON & SONS - INVESTMENT DEALERS

EXECUTIVE APPOINTMENTS

Norman J. Alexander

Thomas E. Pilkington

Stewart B. Phipps

Hector J. Vidricaire

Senior executive appointments have recently been announced by James Richardson & Sons, Investment Dealers.

Norman J. Alexander has been appointed Deputy General Manager. Mr. Alexander, who has been Supervisor of the Firm's British Columbia and Alberta Offices and Resident Manager in Vancouver, will assume his new position at the Executive Offices in Winnipeg on October 1, 1956, where he will assist Mr. Ralph D. Baker, General Manager.

Thomas E. Pilkington has been appointed an Assistant General Manager in charge of the Firm's investment business in British Columbia and Alberta. Mr. Pilkington, who has been Resident Manager, Toronto, and Supervisor, Ontario Offices, and who was formerly with the Firm in Vancouver for fifteen years, succeeds Mr. Alexander as Vancouver Resident Manager.

Stewart B. Phipps has been appointed an Assistant General Manager in charge of the Firm's investment business in Ontario. Mr. Phipps, who has been Resident Manager of the Calgary Office and later the Winnipeg Office, succeeds Mr. Pilkington as Resident Manager in Toronto.

Hector J. Vidricaire has been appointed an Assistant General Manager in charge of the Firm's investment business in the Province of Quebec. Mr. Vidricaire, who has been with the Firm for sixteen years, also retains his present position as Resident Manager in Montreal.

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• PACKAGES
• PANES
• & PEOPLE

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LABOR ROUNDUP

By JACK MacARTHUR

A Chance For Management

Haphazard Growth of Portable Pensions May Hurt

Management is in danger of letting labor grab the initiative on the soon-to-be-livelier subject of portable pensions (FP, Aug. 18).

This is one of those things — like the so-called guaranteed annual wage—on which there is inevitably going to be some movement toward Labor's goal.

And it's a legitimate and logical worker objective. Intelligent management strategy might be to co-operate in working for the principle while trying to purge certain things which are highly undesirable to industry and the country.

Thus a national industrial pension plan might be far better than a lot of small, piecemeal portable pension schemes. Management almost certainly would have more control in a national plan.

Basically, the growing complaint of unions and workers is that a change in jobs often means a loss of pension credits. They want some kind of setup under which credits can be smoothly transferred and their accrual continued.

This is a tall order—maybe impossible for some groups of workers. But it has been met at least partly in certain industries on this continent and in some countries elsewhere.

The great danger in Canada seems to be that the absence of a national plan run by labor and management representatives will result in the growth of a variety of smaller plans, a result of union pressure on management in various industries.

U. S. practice in recent years shows this kind of development often kills management control, leaving the union in command. Certain unions—on their past records—can't be trusted with such power.

Yet it's extremely difficult for many companies to co-operate with others to knock together a portable pension plan.

Some firms, for example, have such excellent pension plans that they are a major factor in getting and keeping staff. Obviously they couldn't be expected to give them up. So there might have to be two pension plans, one covering the whole industry, another adding the special high benefits desired by just some of the companies.

Still, the growth of portable pensions would tend to reduce the direct advantage of pension plans to individual companies. It would do this by increasing the number of companies with pension plans, by partly removing a tie between the employee and his company.

Hard as this might be on a particular company, it could be beneficial to the economy. With so many things now tending to reduce worker mobility, portable pensions would work the other way.

The question, and a big one, is how to set up a workable scheme which will protect all interests and guarantee pension plan administration against ever falling into the hands of undesirables.

• • •

In Vancouver, Amalgamated Lithographers have won a portable pension deal which allows members to move from one city shop to another without losing pension rights.

• • •

No Backing Down By Steel Union

Though its bargaining certifications have been voided, Steelworkers Union figures on keeping a tight hold on its uranium-mining members at **Pronto** and **Algom** in Ontario's Blind River area.

But that conviction doesn't rule out the possibility of further wild inter-union battling. For months prior to the recent signing of big-money contracts with Steelworkers at both uranium-producers (FP, July 28), three unions tussled for worker allegiance. The trio: Steelworkers, Communist-line Mine-Mill, National Council of Canadian Labor.

Now, last week's Ontario court decision that uranium mines come under federal jurisdiction throws out certification of Steelworkers at Pronto and Algom by Ontario Labor Relations Board.

Steelworkers' next move seems to be application for federal certification.

This, of course, leaves the way open for Mine-Mill and NCCL to resume the fight. Whether they will risk another beating isn't known. They may not.

The court decision could be appealed by the Ontario Government.

Another question-mark hangs over certifications in Saskatchewan's Beaverlodge uranium field. They are provincial labor board certifications, similar to those at Pronto and Algom. But in this case, the certified union is Mine-Mill.

So there's a chance that the Ontario decision may not hurt Steelworkers, but help them — help them win over Mine-Mill in Saskatchewan.

• • •

Labor Briefs

The two-year, 36c package hammered out between **International Nickel** and Communist-line Mine-Mill Union went to a union membership vote this week for the second time. It was approved more than two-to-one.

First vote saw Sudbury workers okay the deal, while Port Colborne M-M members surprisingly thumbed it down almost two to one. The over-all majority of both groups will rule in this vote. In the first, the chance of a difference hadn't been considered.

The Inco labor situation is a complex one, a large group within the union is very anti-left wing, wants to embarrass M-M.

• • •

Companies and unions must co-operate fully with governments in meeting Canada's need for skilled workers, Ontario Labor Minister Daley said in a Labor Day address at the Canadian National Exhibition.

"The company that refuses to provide training on the job is making a big mistake."

Daley also said Canada will have to make greater use of skills of older workers and encourage immigrants to make full use of their abilities.

• • •

In 1956's first seven months, the nation lost 872,000 man-days to strikes and lockouts compared with 464,760 in the same period last year. Big reason for the rise: The **General Motors** strike which extended well into the new year.

• • •

There's a fair chance the strike of 500 members of International Union of Electrical Workers at **Automatic Electric (Canada)** in Brockville, Ont., won't last long.

A brief strike last year preceded settlement. This year, company and union aren't too far apart. Union would have settled for a one-year deal with 7c wage boost plus 2c for health-welfare, but company wanted two-year contract with 13c in wage increases, 2c health-welfare. Before going for a two-year contract, the union wanted the company to up the ante a little.

Alcan Offers Scholarships

MONTREAL (Staff)—Another major Canadian company has announced plans to assist university study.

Aluminum Co. of Canada has established five additional undergraduates scholarships at Canadian universities.

To be known as "The Aluminum Co. of Canada Scholarships," they will be granted annually to students in either of the final two years of undergraduate studies at Acadia, Dalhousie, McGill, McMaster and the University of British Columbia, in a faculty specializing in subjects related to the aluminum industry.

J. B. White, vice-president and director of personnel of Alcan, said the scholarships will be awarded by the universities on the basis of financial need, character and ability.

Each scholarship will have a total value of $600 annually with $400 normally going to the student and $200 to the university to help defray expenses.

These scholarships are identical to existing undergraduate scholarships established by Alcan at Laval, University of Montreal, McGill, Queens and U.B.C.

64 More Rooms For Ritz Carlton

MONTREAL (Staff) — Ritz Carlton Hotel has applied to the city for a permit to expand the hotel by 64 rooms. At present it has 230 rooms.

Permission is also being sought to provide 15,600 sq. ft. for shops and a three-story parking garage for 120 cars.

Construction is expected to begin soon after city approval of the plan. Cost was not disclosed.

ANNOUNCEMENT

L. S. FERDON

At a Special Meeting of the Boards of Directors of Liquid Carbonic Canadian Corporation Limited, and Imperial Oxygen Limited, held in Montreal on August 30, 1956, Mr. L. S. Ferdon was appointed President and General Manager of Liquid Carbonic Canadian Corporation Limited, and Imperial Oxygen Limited.

Prior to the present appointment, Mr. Ferdon was, from 1942, Vice-President and Director of Liquid Carbonic Canadian Corporation Limited, and a Director of Imperial Oxygen Limited.

Starting his Canadian business career in 1922 with Canada Steamship Lines, in 1925, Mr. Ferdon joined the Canadian Dry Ice Company Limited and served as Managing Director. This Company pioneered the Dry Ice field in Canada and in 1934 merged with the Liquid Carbonic Canadian Corporation Limited.

At the same meeting, Mr. P. F. Lavedan, Chairman of the Board of Liquid Carbonic Corporation in the U. S., was elected Chairman of the Board of both Liquid Carbonic Canadian Corporation Limited and Imperial Oxygen Limited.

Advertisement

The Secret Language Of Women

Your wife says, "I don't want a thing for my birthday." *Translation:* "Be sure you don't forget." A hostess purrs, **"It's quite all right to sit on that antique sofa."** *Translation:* "Get off — fast!"

September Reader's Digest tries to explain the female doubletalk so incomprehensible to males . . . a basic course in understanding women! Get your September Reader's Digest today: 41 articles of lasting interest condensed to save your time.

New Mersey $4.5 Million Speed-Up to Boost Output

MONTREAL (Staff)—The new **Mersey Paper Co.,** a member of the **Bowater** organization, will speed up two newsprint machines at a cost of $4.5 million.

This will increase annual production to about 165,000 tons of newsprint per year. In 1955, mill produced 136,668 tons and estimated output this year is 140,000 tons.

Acquisition of the property, assets and undertakings of the old Mersey will make possible a certain integration of operations with **Bowater's Newfoundland Pulp and Paper Mills Ltd.** at Corner Brook, Nfld.

Company has also under consideration installation "in due course" of a new groundwood pulp mill to provide supplies for the pulp requirements of other mills of the Bowater organization. This will have an annual capacity of 100,000 tons.

The major portion of the pulpwood required for the operation of the mill is purchased from local farmers and jobbers. Company has acquired from old Mersey over 890 sq. miles of freehold timber lands, and has licences to another 140 sq. miles. In addition, the old company has assigned to the New Mersey with consent of the Nova Scotia Government certain leases and timber licences of Crown lands. It is considered that from the sources an adequate supply for the mills operation can be maintained.

$53,754,501 Deal

Company purchased the old Mersey on April 30, 1956 for a total purchase price of $53,754,501. Payment of $51,760,290 was made in cash by July 17, 1956 and the balance of $1,994,211 by assumption of certain former liabilities of the old company. The cash was paid in these ways: $36,760,290 by a temporary bank loan and $15 million by cash received from the **Bowater Corp. of North America Ltd.** in consideration for the issue of it by New Mersey of the outstanding 3 million fully paid common shares of npv at $5 per share.

Proceeds of Mersey's new issue of $10 million 5½% cumulative redeemable preferred shares of $50 par will be used to repay in part the bank loan of $36,760,290. The balance of the bank loan will be repaid out of net proceeds from the sale of $26 million (U. S.) first mortgage sinking fund 4⅞%, series "A" bonds, sale of which is being arranged through **Morgan, Stanley and Co.,** New York.

Underwriting of the new $10-million preferred issue is being done by a syndicate headed by **Nesbitt, Thomson & Co., W. C. Pitfield & Co.,** and **Royal Securities Corp.** The issue is being offered at $49.50 per share to yield 5.55%. Application has been made for the listing of the new issue on the Montreal and Toronto Stock Exhanges.

$1.15 Million Profit

For the four months ended April 30, 1956, the old Mersey and subsidiaries showed a net profit of $1,158,463 with profit from operations of $2,334,340; depreciation, $133,799; interest on funded debt, $43,559, and income taxes of $1,008,519. For the two months ended June 30, 1956, New Mersey Co. and subsidiaries showed a net profit of $573,766 with profit from operations of $1,238,384; depreciation and depletion, $393,266; interest on funded debt $35,630; income taxes $235,722.

For the 12 months ended Dec. 31, 1955 consolidated net profit was $3,202,879 compared with $3,000,782 for the like period of 1955.

It is the intention of the new company to provide depreciation on the purchase price of the acquired paper mill property on a straight line basis but for income tax purposes to claim the maximum permitted on a reducing balance basis. It is estimated depreciation charge for full year and all assets acquired as of May 1, 1956, would aggregate approximately $2,268,000 and depreciation claim for tax purposes would be equivalent to $2,892,000 for the eight months to Dec. 31, 1956, $3,950,000 for the year to Dec. 31, 1957, and reducing subsequently. Interest on the $26 million (U. S.) first mortgage sinking fund bonds will amount initially to $1,267,500 (U. S.) per annum reducing subsequently as a result of redemptions.

Maximum annual dividend requirement on the $50 preferred shares will amount to $550,000 which will decrease as and when the preferred stock purchase fund operates.

After giving effect to the proposed new issues outstanding capitalization consists of $26 million (U. S.) 4⅞% series "A" first mortgage bonds due Dec. 1, 1976; 200,000 5½% cumulative redeemable $50 par preferred shares; and 3 million npv common shares.

All the outstanding common shares are owned by Bowater Corp. of North America.

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Tenders For Municipal Debentures

Tenders will be received for the sale of Fifty-Seven Thousand, Six Hundred Dollar (57,600) Debenture, bearing interest of 5%, by The Municipal Corporation of the Township of Brock. Proceeds of Debenture issue is to build and equip a two-room Public School for the Brock Public School Area Board.

Debentures will be for Ten years, 1956 to 1966. This capital expenditure has been approved by the Ontario Municipal Board as of August 10th, 1956.

Bids will be received up to Twelve O'Clock Noon on Friday, September 21st, 1956.

J. STANLEY MILLER,
Clerk-Treasurer,
Township of Brock.

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Government of Canada
3¾% Bonds

Dated September 15th, 1956 Due March 15, 1998
Callable at 100 on or after September 15, 1996

PRICE: 97.00 and accrued interest
YIELD: 3.90%

Present holders of Government of Canada 3% Bonds due January 1, 1959 (Fifth Victory Loan Bonds) may exchange their bonds for the 3¾% Bonds of the new issue and receive $16.25 cash for each $1,000 par value exchanged.

Prospectus available upon request.

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TORONTO	*Royal York Hotel*	*from 10th-24th September*
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where he will be pleased to take your measures

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NEW ISSUE

$10,000,000

Mersey Paper Company Limited

(Incorporated 1956 under the laws of the Province of Nova Scotia)

5½% Cumulative Redeemable Preferred Shares
(Par value $50 per share)

DIVIDENDS AND REDEMPTION

Preferred as to capital and dividends. Fixed cumulative preferential dividends at the rate of 5½% per annum on the par value thereof, and no more, and as and when declared by the Board of Directors, payable quarterly in lawful money of Canada on the first days of January, April, July and October in each year, at par, at any branch in Canada (far northern branches excepted) of the Company's bankers. Dividends will accrue from September 18, 1956, the first payment to be made on January 1, 1957.

Subject to certain conditions, the Company may, at its option, on not less than 30 days' notice, redeem at any time the whole or from time to time any part of the $50 Preferred Shares at the following prices: if redeemed on or before October 1, 1959—$52.00 thereafter and on or before October 1, 1962—$51.75 thereafter and on or before October 1, 1965—$51.50 thereafter and on or before October 1, 1968—$51.25 thereafter and on or before October 1, 1971—$51.00 thereafter and on or before October 1, 1974—$50.50 and thereafter—$50.25 plus, in each case, an amount equal to all unpaid and accrued preferential dividends up to but not including the date fixed for redemption. The $50 Preferred Shares will, when issued, be fully paid and non-assessable. The preferences, rights, priorities, privileges, limitations and conditions attaching thereto, including the restrictions on the issue of additional preferred shares, are more fully set out in paragraph (H) of the Statutory Information forming part of the Prospectus.

$50 PREFERRED STOCK PURCHASE FUND

A $50 Preferred Stock Purchase Fund is to be provided whereby the Company is obliged to use in the year 1957 and in each year thereafter an amount of money equal to one per cent (1%) of the aggregate par value of all $50 Preferred Shares previously issued for the purchase on the open market or by tender for retirement of $50 Preferred Shares to the extent that such shares are available for purchase by the Company at a price not exceeding their par value plus reasonable costs of acquisition. Such obligation may be anticipated by the Company in whole or in part by purchasing $50 Preferred Shares and applying the cost thereof in reduction of the amount of any $50 Preferred Stock Purchase Fund obligation thereafter becoming due.

TRANSFER AGENT:
The Royal Trust Company—Halifax, Montreal, Toronto, Winnipeg and Vancouver

REGISTRARS:
The Eastern Trust Company—Halifax, Montreal, Toronto and Vancouver
The Bankers' Trust Company—Winnipeg

We offer, as principals, the $50 Preferred Shares subject to prior sale and change in price, if, as and when the same are issued and accepted by us, and subject to the approval of all legal matters by Messrs. Stewart, Smith, MacKeen, Covert, Rogers, Sperry & Cowan, Halifax, Nova Scotia, on behalf of the Company and by Messrs. McMichael, Common, Howard, Cate, Ogilvy & Bishop, Montreal, Quebec, on our behalf, who will rely upon the opinion of the Company's Counsel in respect of the validity of the incorporation and organization of the Company.

PRICE: $49.50 Per Share to Yield 5.55%

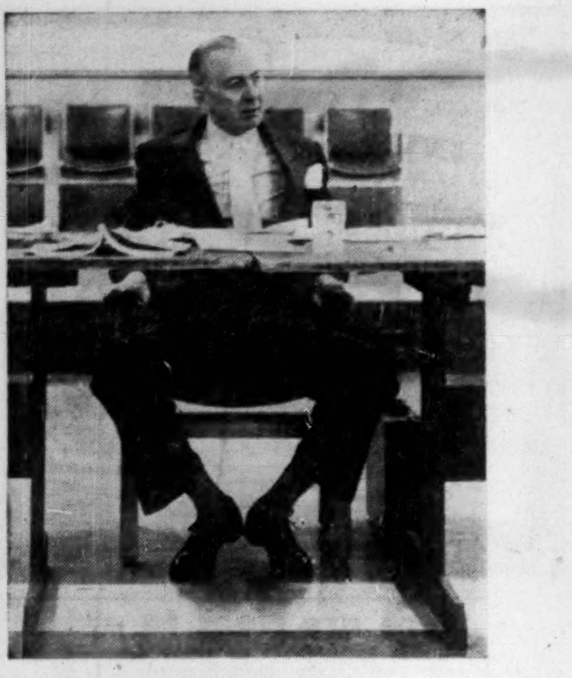
It is expected that interim share certificates will be available for delivery on or about September 18, 1956.

Application has been made for the listing of the $50 Preferred Shares on the Montreal Stock Exchange and The Toronto Stock Exchange.

A Prospectus, a copy of which has been filed for registration with the Registrar of Joint Stock Companies as required by Section 91 of the Companies Act of Nova Scotia, will be forwarded upon request.

Nesbitt, Thomson and Company, Limited — **W. C. Pitfield & Company Limited** — **Royal Securities Corporation Limited**
Wood, Gundy & Company Limited — **James Richardson & Sons** — **Gairdner & Company Limited**
Midland Securities Corpn. Limited — **Eastern Securities Company Limited** — **Harris & Partners Limited**
F. J. Brennan & Company (N.S.) Limited — **Stanbury & Company Limited** — **Cornell, Macgillivray Limited**
René-T. Leclerc Incorporée

794A



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What will Fowler say about TELEVISION?

David MacDonald reports on the chairman of the Royal Commission on Broadcasting. What's going to happen to Canadian TV? What will Robert Fowler recommend? What kind of programs do he and his associates prefer? Be sure to read the complete and informative background story.

For the sake **of argument**

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PRESIDENT OF
THE UNIVERSITY OF TORONTO ASKS

Does more money than brains go to college?

This well-known educator makes some trenchant comments and observations.

How Harry Orchard MURDERED TWENTY MEN

Beginning the two-part story of Harry Orchard, a professional killer hired by the Western Federation of Miners to kill feared enemies. Read how his activities had lasting effects on what had been the most powerful, feared labor union in the West.

FRED BODSWORTH TELLS

Why we're getting more disastrous hurricanes

Are hurricanes changing their ways? Will Canada have more of them? Here's a report on what the weather experts say.

National Advertisers Please Note:

Just announced is a new circulation rate base of 565,000 for Maclean's, effective with the issue of March 2, 1957. This is an increase of 10.8% over the rates that came into effect last March and represents a growth in circulation of 33.4% over a period of five years. Advertising rates in March, 1957, will show a reduction in cost per thousand circulation.

MACLEAN'S

CANADA'S NATIONAL MAGAZINE

A Maclean-Hunter Publication

SEPTEMBER 15 ISSUE NOW ON SALE

Beaver Club

The new purchase of this investment club

BRITISH AMERICAN OIL

Here is the monthly report by the fund manager to the members of the Beaver Club on their fund's operations:

On Aug. 31 we purchased five shares of **British American Oil Co.** at $45 per share to yield 2.22%.

The addition of another oil stock to the Beaver Club's portfolio reflects our feeling that this medium offers one of the most attractive means of participating in Canada's economic development. At a time when inflationary pressures appear to be mounting, companies with extensive natural resources have special protection and appeal.

In the case of some such industries there is reason to temper optimism with doubts regarding the future demand-supply situation and the possibility of unfavorable price trends. However recent surveys emphasize that the world demand for petroleum products will enjoy a period of sustained expansion.

President Eisenhower's Materials Policy Commission indicates that the demand for all oils in the U. S. could increase 33% in the next decade — from three billion barrels in 1955 to four billion bbls. in 1965 and by 1975 it could be as high as five billion. On the supply side total annual discoveries, revisions and extension in the U. S. have averaged only about three billion bbls. a year during the past 10 years. Thus unless the rate of discovery is increased the U. S. will be depending more and more on oil imports.

Statistics from the submission to the Gordon Commission entitled "Prospects for Canada's Oil Industry 1955-80" also make interesting reading. According to this study during the next 25 years the demand for Canadian crude will multiply six to eight times — from the present 353,000 bbls. a day to between two and three million bbls. a day. And between now and 1960 the market may double.

Our per capital oil consumption has been growing rapidly and is now 14.6 bbls. per annum. On this basis we are now second to the U. S. where the per capita rate is 18.4 bbls.

It seems that the oil resources of this continent will enjoy a sustained demand and should the vast crude reserves of the Middle East (100 billion bbls. compared to 48 billion for the whole Western Hemisphere) become less readily available to world markets, the demand for our crude could be overwhelming.

B. A. is a fully integrated oil producing, refining and distributing company and since its acquisition of **Canadian Gulf's** extensive crude oil and natural gas properties in Western Canada it is now in an especially advantageous position to enjoy favorable developments in the petroleum industry.

Amalgamation with Canadian Gulf has very much improved the nature of B. A.'s operations. Formerly B. A. was short of Canadian crude oil reserves. At the end of 1955 the company had reserves of 113 million bbls. in the U. S. and only 26 million in Canada.

Canadian Gulf's assets will add another 300 million bbls. to B. A.'s Canadian reserves and the company will now be able to produce from its own wells over 60% of its refinery requirements. This compares with **Imperial's** 39% and **McColl's** 15.5% for 1955.

Previously B. A. produced only 32% of its refinery runs. Most of this, being U. S. crude, was sold to American refineries. The type of integration which B. A. now enjoys protects it against a rise in the price of crude oil and adds to the economy and efficiency of operation.

New Revenue Source

Canadian Gulf had natural gas reserves totalling three trillion cubic feet and this will give B. A. the largest gas reserves of any Canadian company. A major portion of these gas reserves have been contracted for sale to **Trans-Canada Pipe Lines Ltd.** and this new source of revenue should add substantially to B. A.'s income.

Together with gas reserves, B. A. has acquired Canadian Gulf's gas processing plant under construction at the Pincher Creek field. This plant which will have an initial capacity of 55 million cubic feet, will extract sulphur and liquid hydrocarbons and until the **Trans-Canada** line is ready will pump back the residue gas into the Pincher Creek wells.

In addition Canadian Gulf's assets will add the impressive figure of 9,150,000 acres of undeveloped leases and reservations to B. A.'s holdings in Western Canada.

The amalgamation should strengthen B. A.'s management team and of special significance is the acquisition of the exploration staff which has been responsible for Canadian Gulf's outstanding success in the West.

Refinery Expansion

The expansion of B. A.'s refinery capacity is evidenced by the increase in the volume of crude oil processed from 10 million bbls. in 1945 to 36 million (98,000 bbls. per day) in 1955. With the extension of the **Interprovincial Pipe Line** to Clarkson, B. A. is doubling the capacity of this refinery from its present rate of 21,500 bbls. per day.

In 1951 B. A. combined with **Shawinigan Water & Power** to enter the fast-growing petrochemical industry. Plans for expansion for this Montreal plant were recently announced.

The following is an attempt to place a rough evaluation on the shares of B. A. Oil.

Oil reserves 413 million bbls. at $1.00	413,000,000
Gas reserves 3,404,000 million cu. ft. at 3%	102,120,000
Acreage estimated 10 million acres at $7.50	75,000,000
Holdings of Interprovincial & Trans Mountain Pipe Lines at the mkt.	26,200,000
Equity value in other assets	237,000,000
Total	853,320,000
Value per share	46.36

The number of B. A. shares outstanding was increased to 18,406,716 with the issuance of 8,335,648 "restricted" shares to **Gulf Oil Corp.** in exchange for Canadian Gulf and the sale in July of 600,000 shares to the public at $40 per share. The agreement in connection with the acquisition of Canadian Gulf from Gulf Oil Corp. recognizes that some years may elapse before Canadian Gulf's assets can come into their full earning power and for this reason the shares issued in exchange incorporate the provision that no dividends will be paid on them until the company's net income exceeds $35,000,000 ($1.90 per share of presently outstanding stock). Net in 1955 was $20.6 million.

Although this provision assures maintenance of the current $1 per share for the ordinary common shareholder, we cannot hope for any improvement in the dividend rate over the short run as increased earnings will be spent on developing the extensive acreages now under reservation. Also it is likely that further shares will be offered to the public to provide additional funds for expansion. Total ordinary common shares authorized for issue were increased to 25 million to permit this expansion of capitalization.

For the long term however the earnings potential behind B. A.'s new asset picture could mean a substantial improvement in the per share profits.

The Beaver Club is a typical operating investment club. It has 20 members. Its stock purchases and sales are decided by a professional investor.

Stocks bought for the Beaver Club are not necessarily suitable for all investment clubs. Beaver Club members are nearly all young and their incomes are quite substantial. They can afford to take risks of loss which are inappropriate for some clubs.

The Beaver Club policy is quite definitely an aggressive search for attractive longer-term growth investments.

—The Editors.

Beaver Club Monthly Statement

Since Nov. 1, 1955, each original member has invested $110. At Ang. 31, each dollar invested was worth $1.20, for $132.50 total.

AS OF AUG. 31, 1956

	No. of Shares	Cost of Share $	Market per Share $	Total Current Value $
B. A. Oil	5	45.00	46	230.00
Inteprovincial Pipe Line	15	26.50	44¾	671.25
B. C. Power	5	34.13	46⅞	234.38
Abitibi Power & Paper	5	35.00	38½	192.50
Loblaw Companies "B"	12	23.63	20½	246.00
Algom Uranium Warrants	25	7.40	8.75	218.75
Canadian Bank of Commerce	5	51.00	53¾	268.75
Steel Company of Canada	3	59.75	68¼	204.75
United Fuel "B"	5	38.00	41½	206 25
Ontario Jockey Club 5½% convertible preferred	20	10.00	10⅜	207.50
Bailey Selburn Oil & Gas 5% convertible preferred	5	30.00	39½	197.50
				2,877.63
Deduct debit with broker				227.52
Net asset value				2,650.11
Total contributions to date				2,201.86
Net asset value per dollar invested				1.20
No. of Beaver shares outstanding July 31			179.78	
No. of shares purchased Aug. 1 — 20 x .748			14.96	
No. of shares outstanding Aug. 31			194.74	
No. of shares held by each member			9.73	
Net asset value per Beaver share			13.61	
September 1 payment will purchase			.735 shares	

Accord Near In Coleman Case

Coleman Collieries Ltd. of Coleman, Alta., and **Burns Bros. & Denton Ltd.**, Toronto investment dealers, have reached a preliminary agreement for the settlement of Burns' suit against Coleman.

The suit arose after Coleman waived interest due Jan. 1, 1955, on its outstanding 5% first mortgage 30-year bonds. A bondholders' protective committee was formed, and Burns Bros. & Denton Ltd. took legal action.

Details of the settlement are expected to be announced later this month, after it has been drawn up in legal form. It is understood that it will follow, in outline, the proposal made by the investment firm to the collieries Dec. 1, 1955.

Burns Bros. & Denton suggested at that time that, since the company had money available to pay interest Jan. 1, 1956, on a proposed new first mortgage bond, it turn that money over to a trustee for the bondholders.

If the courts approved a reorganization of the company, the trustee could pay the interest to bondholders. If the reorganization was not upheld, the trustee could pay one half interest required on the old bonds.

Municipal Bonds

Sept. 4, 1956

	Coup.	Matur.	Bid $	Ask. $	Yld. $
Calgary	3½	'69	85½	88	4.75
Edmonton	3½	'69	84¾	87¼	4.80
Halifax	3½	'66	88½	90½	4.75
Hamilton	3	'67	86¼	88¼	4.40
Montreal	3	'70	79¾	81¾	4.80
Moose Jaw	3½	'60	93¾	95¼	4.70
Ottawa	3½	'68	88¼	90¼	4.35
Regina	3	'64	86¾	88¾	4.65
St. John, N.B.	3⅛	'65	89	91	4.75
Toronto	3	'68	84½	86½	4.45
Vancouver	3¾	'69	90¾	92¾	4.50
Victoria	3¾	'68	91½	93½	4.45
Windsor	2¾	'75	72¾	74¾	4.80
Windsor	3½	'75	81¾	83¾	4.80
Windsor	2½	'75	69¼	71¼	4.80
Winnipeg	3	'69	83¾	85¾	4.45

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Hotel de LaSalle

Situated in the heart of downtown Montreal, the Hotel de LaSalle combines the personal service and hospitality of early French Canada with the comfort and facilities expected by the modern business executive.

The Hotel de LaSalle is a big little hotel with only 200 rooms —all with bath or shower, some with both. Two lavish penthouses and several suites are available—some with television. As our guests say: "There may be larger hotels in Montreal—but none quite like the LaSalle!"

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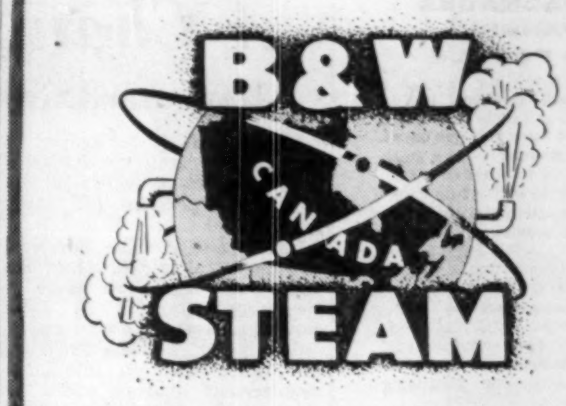
Le Pavillon
Cavelier Room
Club Cafe
ALL AIR-CONDITIONED

Hotel de LaSalle

(Drummond St. just above Dorchester)

RESERVATIONS—Toronto: EM 4-3873
Montreal: UN 6-6492



In the development of boiler designs, B. & W.'s pioneering innovations during the last half century reflect an increasingly wide variety of users' requirements. Today, B. & W. offers an integrated "family" of service-tested boiler designs from which it is possible to select a steam-generating unit to satisfy virtually any requirements in Canada.

In industrial plants, hospitals, institutions, public utility power stations and aboard ship—in fact wherever Canadian expansion is taking place, B. & W. Boilers are supplying steam with utmost dependability and efficiency.

Take advantage of the vast experience and modern manufacturing techniques available in the Canadian Babcock organization and discuss your next steam generating problem with your nearest B. & W. representative.

BABCOCK-WILCOX and GOLDIE-McCULLOCH LIMITED

GALT - ONTARIO

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FP2

Bank Staff Changes

Royal:

J. R. AYOTTE, manager, Vars, Ont., to be manager, Ville d'Alma, Que.

J. G. MASON, manager, Harris, Sask., to be manager, Liberty, Sask.

F. C. McMILLAN, manager, Liberty, Sask., to be manager, Invermay, Sask.

E. B. WATERS, manager, Invermay, Sask., to be manager, Craik, Sask.

J. S. BROWN, accountant, Roblin, Man., to be manager, Harris, Sask.

F. J. SCHWAB, manager, Britannia Beach, B.C., to be manager, North Clearbrook, B.C.

H. N. HAMRE, manager, Craik, Sask., to be manager, Luseland, Sask.

A. R. NICHOLLS, Edmonton, to be acting manager, Port Radium, N.W.T.

I. W. STEPHENSON, Yonge & Bloor, Toronto, to be accountant, St. Catharines, Ont.

G. E. ROSENFELD, Dryden, Ont., to be accountant, West Kildonan, Winnipeg.

A. J. HANSEN, Hillhurst, Calgary, to be accountant, Jasper Place, Edmonton.

L. F. LOVE, Lansing, Ont., to be accountant, Shelburne, Ont.

W. E. CRAIG, Waterloo, Ont., to be accountant, Lansdowne & Park, Peterborough, Ont.

D. L. HAWKINS, Wellington & Rielle, Verdun, Que., to be accountant, Stephenville, Nfld.

A. G. PACEY, accountant, Lansdowne & Park, Peterborough, Ont., to be accountant, Eglinton & Dufferin, Toronto.

D. L. DAY, Ripley, Ont., to be accountant, Wheatley, Ont.

D. J. THOMSON, Portage & Arlington, Winnipeg, to be accountant, Roblin, Man.

H. E. CHRISTENSON, Luseland, Sask., retired.

K. C. YORK, Cumberland, B.C., retired.

C. R. McLEOD, Kamloops, B.C., retired.

B. D. GREGSON, Main & Hastings, Vancouver, to be accountant, Chilliwack, B.C.

ANNOUNCEMENT

Shoe Corporation of Canada Limited Appointments

GERRY ZABRANSKY

W. H. CRANSTON

E. L. VOKES

Herbert C. Lee, President of Shoe Corporation of Canada Limited, has announced the following appointments:

Gerry Zabransky is Executive Vice-President of Fern Shoe Company Limited, and Midland Footwear Manufacturing Limited, and a Vice-President of Shoe Corporation of Canada Limited.

W. H. Cranston is Vice-President, responsible for co-ordination of sales and production for the various divisions of Shoe Corporation of Canada Limited, which include: Hewetson Shoes Limited, Brampton, Ontario, Fern Shoe Company Limited, Penetang, Ontario, Midland Footwear Manufacturing Limited, and Midland Industries Limited of Midland, Ontario.

E. L. Vokes, President of Hewetson Shoes Limited is Vice-President of Shoe Corporation of Canada Limited.

IMPERIAL PAYS HIM TO WORK ON YOUR LUBRICATION PROBLEMS *in the plant or in the blueprint stage.*

HE'S ON YOUR STAFF BUT NOT YOUR PAYROLL

The Imperial Oil representative's job is to work with your staff, on your lubrication problems at our expense. He is trained to seek methods of reducing operating and maintenance costs and increasing operating efficiency in all types of industry. Through him, Imperial's vast experience and continuing research in lubrication is always at your service.

ESSO

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ALWAYS **LOOK TO IMPERIAL** FOR THE BEST

INVESTMENT—IN PRINCIPLE AND PRACTICE

Get Technical—And Richer?

Stock Price Movements Can Help You Spot Buys, Sells

By Pathfinder

Author of this special Post series on investing is one of Canada's prominent investment counselors. Daily he is dealing with a wide variety of investment problems and with big and little sums of money.

One reason for investment mistakes is what is termed "single cause thinking." In other words, there is among many investors the idea that stocks move up or down for only one reason. This reason can be different with different investors. Some unsophisticated common stock buyers will buy a stock because they hear that "so and so, the famous financier, is buying."

Among investors who have an analytical approach, there are those who place exclusive emphasis on dividends. Other investors choose earnings and pin their expectations entirely on the changes in the earnings per share.

Still others pick price to earnings ratio and elevate this yardstick into an unbreakable rule. And others manufacture indices and select relationships which they claim foretell the price movements of stocks.

However, having seen all of these fail at one time or another, the experienced investors become cynical of these "single cause" approaches to the market, and they adopt the attitude that if there is a perfect cause and effect relationship in the stock market, it has not been discovered yet.

Technical Approach

Certain investors have turned to the "technical approach" to the market in order to have a check on what the fundamental factors like yield, price-earnings ratio, expansion plans, etc., indicate.

This technical approach appears very complicated to the outsider, and indeed it does require a considerable amount of study to understand fully all its ramifications. Nevertheless, although it may appear quite difficult, it is based simply on the charting of the prices of stocks daily or weekly together with the volume of transactions.

For instance, if **Abitibi** traded at a high of 40¼ and a low of 38¾ during the period chosen, a vertical line would be drawn on the graph paper between those two points and a little horizontal line would be put at the price at which it closed, say 39. Down at the bottom of the page on the same line would be entered the volume of transactions, such as 8,300 shares. This simple type of chart is the basis for the whole technical approach.

What is the possible significance of a series of lines indicating price and their accompanying volumes? Surprisingly, the price at which the stock traded is the only concrete fact the investor has at hand. Present and future earnings are a matter of opinion, and past earnings could have varied if depreciation or other allowances had been treated differently. Even this year's dividend is open to question in many cases. Moreover, the price is an immediate piece of information compared to the several weeks or months since the latest earnings figures.

Recognizing Patterns

The theory of the technical approach to the market is based on the fact that actions speak louder than words (or figures). What the astute informed investor is doing is revealed in only one way — whether he buys or sells, or in other words, the record of prices and volume of transactions.

It might be asked how a chart can differentiate between the knowledgeable and the uninformed transaction. The answer is that, generally speaking, knowledgeable purchases or sales form a pattern different from the uninformed splurges. This leads to the core of the technical approach—the recognition of different patterns emerging from these charts of prices and volume.

Eight very basic formations are illustrated in the accompanying charts.

The first two represent trend formations. On the ascending side a line is drawn joining the bottommost prices. A parallel line is drawn on the top. Over a period of time it is apparent that this stock has moved within these two lines, often called the trading range.

Some avid chartists trade the stock according to its position in this range. If it is close to the bottom trend line they buy, and they sell when it approaches the top.

However, for longer term investors, this chart has the meaning that the stock has been in this range for a considerable period of time. For the price to break out of this range there must be a significant change in the affairs of the company or the general business environment.

Suppose the price breaks through on the up side — this might be the signal that an increase in dividend is expected or a new expansion might be on the way. Conversely, a breakthrough on the down side could indicate lower sales, new competition, or some other reason for lower investor confidence.

Move Precedes Action

The other formations — the saucer, the double tops, and the head and shoulders formations, have no easily explained basis in strict logic. It is sufficient to know that more frequently than not, a formation of a certain type precedes certain consequent price action.

This of course leads to the question of whether the formations ever indicate the wrong answer. Of course, they do occasionally, and those who make chart formations a "single cause" of stock price actions can suffer as large losses as any other "single cause" advocate. However, as a signal of expected action to be checked against other information, these chart formations can be of considerable value.

Four Advantages

Here are four advantages of the technical approach to the market over the more common "fundamental" approach:

(1) It is a scientific tool—all components can be measured precisely.

(2) It is the focus of all the innumerable facts which go to make up the value of a security. To properly assess 100 stocks an investor should know everything there is to know about the economy, each industry and each company. Moreover, countless judgments on psychological reactions would have to be made. All this is overcome by a study of the record of prices and volumes, because "the market reflects all known facts."

(3) It provides up-to-the-minute information. Earnings, expansion plans, new competition, etc., are often known by the public only after a time lag which is at least weeks, often months and occasionally a year or more. For the trader, the technical approach is almost essential.

(4) It is a sensitive tool in a field where other measuring devices are often massive and clumsy.

Reduces Errors

As may be expected, there are voices raised against this technical approach.

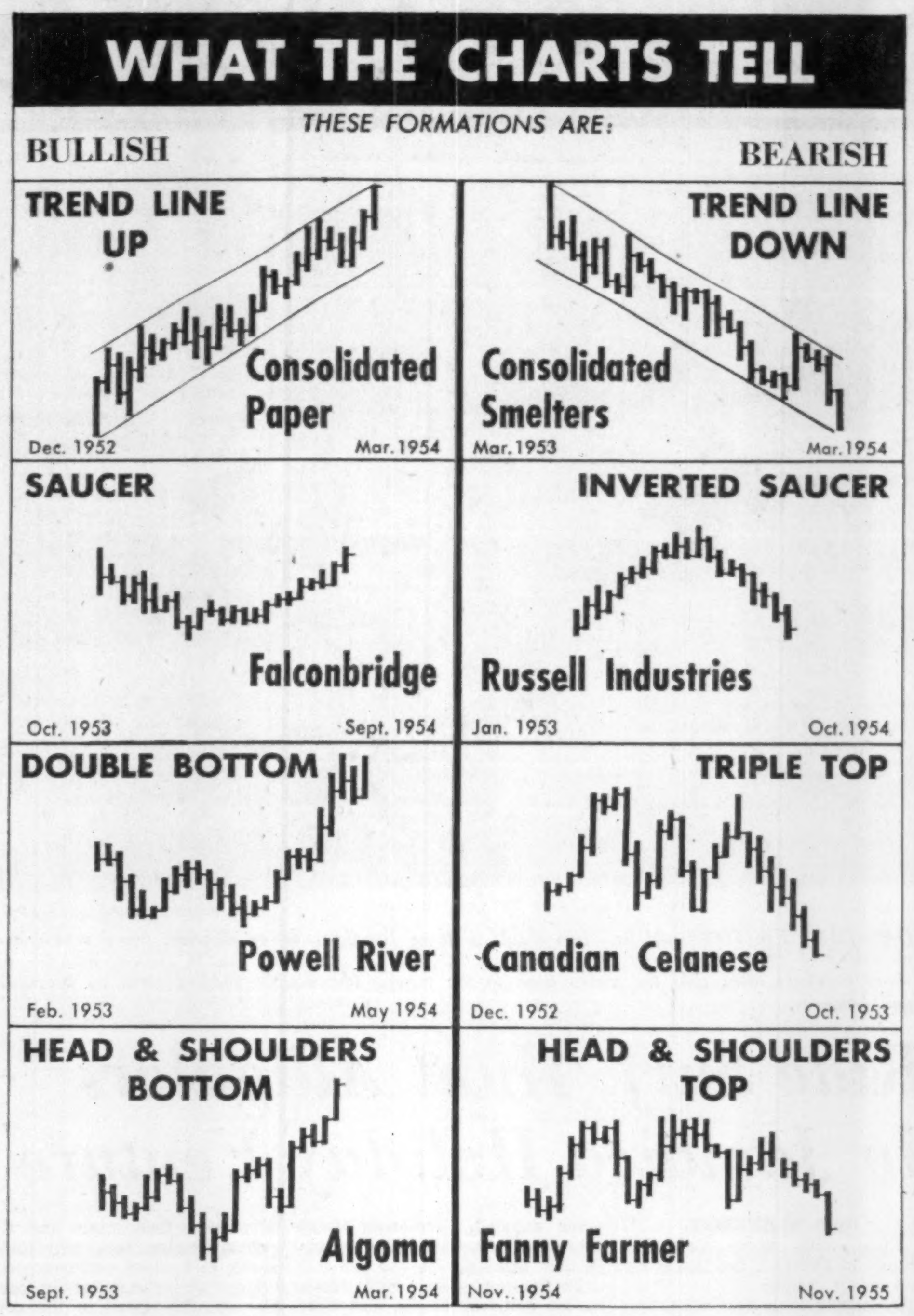
Used exclusively as a mechanistic gadget to foretell stock prices, it can lead to grave errors. Moreover, others doubt its efficiency — the number of times the indicated results actually do occur.

To this criticism there is no complete answer because certain formations can precede more than one type of price action. Interpretation, therefore, can be either correct or incorrect.

An expert will be right more often than the amateur. But if the average investor uses this approach in conjunction with other information, the chances of his being wrong are minimized.

The ordinary buyer of common stocks could well ask whether the technical approach could possibly be of any use to him. The answer is yes, if he is prepared to spend a couple of hours a week charting the prices and volumes of the stocks in which he is interested. For the average investor, a weekly chart is sufficient and a good source of the necessary figures is The Financial Post. The eight basic formations illustrated on this page should be of help in analyzing price movements, and certain experienced investment people in brokers' or investment dealers' offices could suggest other formations to watch for.

At a minimum, these few hours a week will provide a greater "feel" of the market, as well as an interesting hobby. At the most, however, the average investor will gain a clearer insight into why prices move and with that insight, greater profits.



New Study Courses Arranged For Intermediate Management

Following up its theme of "education for intermediate management," three new educational projects are announced by the Canadian Industrial Management Association. They are:

—the "Phil Carroll" Clinic, a one-day study session on various time study problems, to be held Sept. 28 at the King Edward Hotel, Toronto;

—a four-year evening course in industrial management, available in Toronto, leading to a certificate conferred by the National Council of CIMA on the authority of the Ontario Department of Education;

—two-hour Wednesday and Thursday evening study groups on four management "interest" areas, available in Toronto.

Two of the projects, the clinic and the study groups, are new CIMA offerings; a certificate course in industrial management has been available at Galt, Ont.

Clinic by Mr. Carroll, consulting engineer internationally known for his work in time study, will consist of morning and afternoon sessions; he will deal with these and other topics: "Finding Overhead for Mixed Products," "Installing Standards for Indirect Work" and "Building Time Study Men."

Certificate course has been laid out by the Educational Advisory Committee of CIMA's National Council, consisting of faculty members of the Universities of Toronto and Western Ontario, and McMaster University. Course will consist of four sections: industrial organization and planning; industrial engineering and personnel practices; accounting, finance and marketing; administrative practices and industrial relations.

Study groups have been formed around these interest areas: organization and control of production; work measurement; employee relations and wage administration; administrative control. Each of the groups has an orientation course and an advanced course.

CIMA was organized in 1942 under the Dominion-Provincial War Training Program as the Society of Industrial Methods Engineers. Since its growth attracted representatives of every facet of industrial management, the name was changed to the present one in 1947. Its education for advancement is aimed particularly at intermediate management levels.

CIMA has three branches, Toronto, Hamilton and Grand Valley (Galt). Branch presidents are respectively: F. E. Lomax, telecommunications manager, **Canadian Westinghouse,** Hamilton; Terry Williams, general superintendent, **Keith Day Knitwear,** Preston, Ont.; George Hendle, office manager, production engineering, **Massey-Harris-Ferguson,** Toronto. E. H. Tove, director, cost improvement, Canadian Westinghouse, Hamilton, is national president.

U. S. Fears of Dual Seaway Delay Dredging Agreement

OTTAWA (Staff)—An old American fear that Canada will complete a separate St. Lawrence Seaway is holding up signing of an agreement between the two countries on dredging.

But, in fact, Canada's attitude on a separate, Canadian channel has not changed, it's stated here.

This is the Canadian position:

—No separate Canadian channel now, or in the planned future;

—But reservation of the right to build one if (a) traffic makes it necessary, or (b) there's "unreasonable or unwarranted interference with Canadian shipping" from the U. S.

All this is contained in the 1954 Canada-U. S. agreement to build the present project.

Here's the story on the dredging:

1. At Cornwall, Ont., the Seaway channel will be in international waters south of Cornwall Island.

2. This south channel has to be dredged to 27-ft. depth. This means dredging on the north side of Cornwall Island, between the island and the City of Cornwall, because the 1909 treaty between Canada and the U. S. says the level and flow of boundary waters must be kept the same.

3. The U. S. has said, in effect, that a big hole should be dug in the north channel. But Canada insists there's no point in just dredging a hole when, for an extra $4 million, at least a part of a matching 27-ft. channel can be had.

Here's where the matter rests, except for a secondary consideration:

When the Seaway agreement was signed, it wasn't specified who would pay for dredging in the Cornwall area, but that total dredging costs were to be split 50-50.

The U. S. may point out that it has no obligation to pay for a more expensive method of keeping level and flow the same.

A reasonable solution, it's believed here, would be to split the $30-million cost of dredging on both sides of Cornwall Island four ways among (a) Canada's St. Lawrence Seaway Authority (to spend $215 million on the Seaway project), (b) the United States' St. Lawrence Development Corp. ($105 million), and (c) the two power interests: Ontario Hydro and New York's Power Authority, both of which will spend about $300 million on power phases of the Seaway.

Big Saving Seen

This dredging incident no doubt appears to the U. S. to be the second time Canada has insisted on a project which would prepare the way for a second Seaway channel.

The first one was the "plug" in the big Cornwall dyke. There had to be an opening to allow 14-ft. navigation to continue until the new seaway is completed. But it didn't have to be the 27-footer Canada is putting in.

The Canadian Government, however, insisted over U. S. protests on putting in the 27-ft. "plug." The extra cost now is small, but there would be a big saving if Canada ever decided to complete an all-Canadian deep channel in the future, because the "plug," like the channel north of Cornwall Island, is in Canadian territory.

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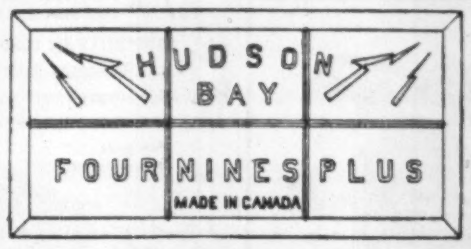

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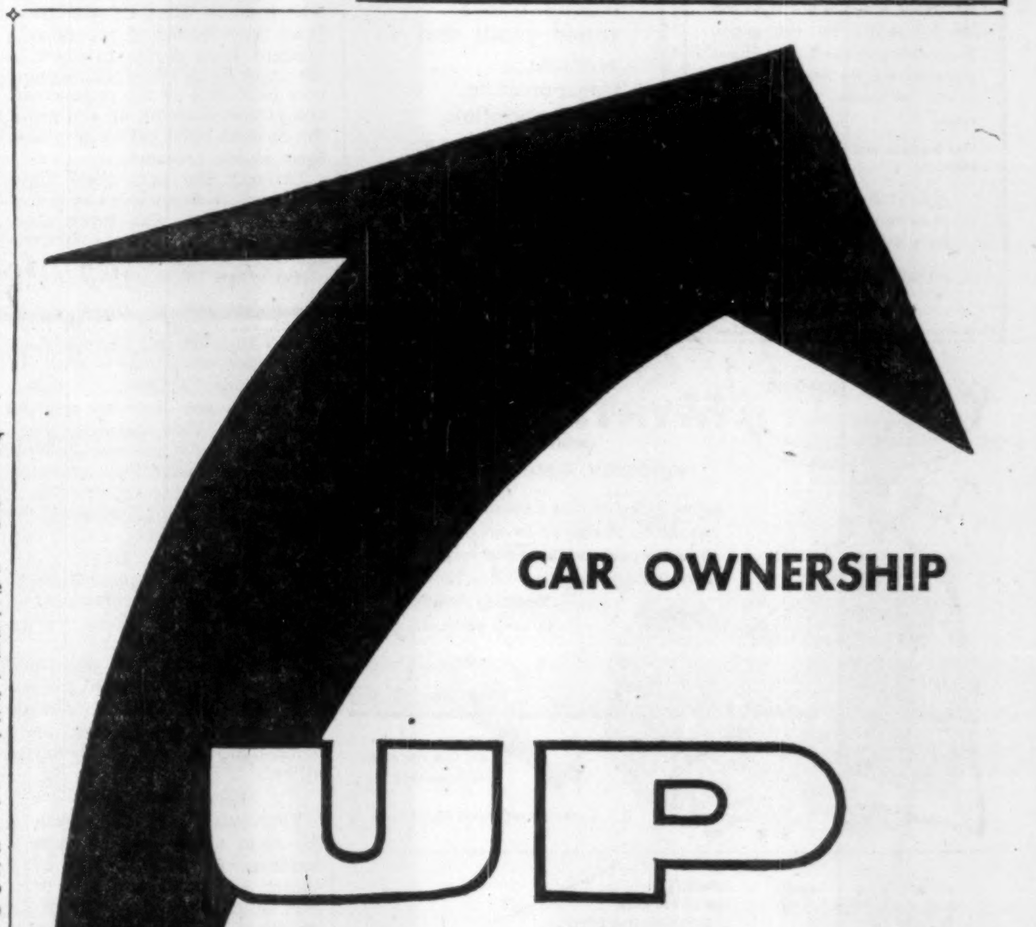

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CANADIAN VISITORS will find new thrills in these Jamaican native dugouts. More venturesome tourists take these small craft out from Falmouth, one of Jamaica's seaside resorts, into the offshore breakers, then ride the waves back to the beach. The double paddles serve as propulsion and balances.

Ride Surf, Hunt Alligators In Jamaica Holiday Venture

By B. W. RIDDELL

Since 1495, when Columbus landed in Jamaica, the island has had many visitors.

Spaniards came and conquered the original inhabitants, the Arawak Indians. Then Britain drove Spain from the island. Slaves were brought from Africa to work in the sugar fields (their descendants now form 98% of the population) and pirates roaming up and down the Spanish main called in to hide their stolen treasure.

Through the ages there have been traders, financiers and industrial magnates who have come for sugar, rum, bananas, bauxite and other natural resources.

But today the majority of visitors come just to enjoy themselves. Thousands of tourists from North America and Europe flock to Jamaica every year — many of them regular visitors.

And it's not hard to see the reason why. This charming tropical isle is one of the world's most beautiful and varied playgrounds.

Situated in the warm Caribbean, the island is bordered by wide sandy beaches which are largely protected from rough water by the line of reefs offshore.

The interior is composed of great mountains, rolling plains, clear rivers and streams. And to this is added the lush green and brilliant color of tropical vegetation — coconut palms, almond trees, scarlet spathodea trees, poincianas, hibiscus and bougainvillea.

Escape From Cold

Year-round summer is one of the main attractions. For warm-weather Canadians who find winter at home long and hard, here is the ideal escape from the ice, snow and chilling blasts soon to come.

Facilities for every type of summer sports are available. There's excellent deep-sea and river fishing, perhaps the finest ocean bathing in the world (fresh water swimming in the streams), many fine golf courses, tennis courts, and superb yachting.

There's duck shooting, and if you fancy it—alligator shooting in some areas. For those who prefer spectator sports there is horse-racing, polo, cricket and English football.

Although the summer months are becoming very popular, mid-December to mid-April is still the "high" season. At this time temperatures average 78 degrees and practically no rain falls. This is also the season when Jamaica plays host to international celebrities.

You share the beach with millionaires, stars of stage and screen, authors and politicians from around the world. In the past few years names such as Winston Churchill, Adlai Stevenson, Cecil Beaton, the Oliviers, John Gielgud, Noel Coward, Gladys Cooper, Simone Simon, Oscar Hammerstein, Michael Redgrave, Alicia Markova, Hedy Lamarr, Efrem Zimbalist, Manfred Gottfried of Life and Time, and Princess Kyril Scherbatow have appeared on the pages of visitors' books throughout the island.

Dining Adventures

An adventure in dining is a feature of every Jamaican holiday. While North American fare is available everywhere, traditional Jamaican concoctions are much more exciting.

Some of the most delectable dishes are breadfruit, spiced akees (fruit that looks like a vegetable but tastes like sweetbread), stewed guavas, stuffed cho-chos (resembles avocados) which are covered with a cheese and cream sauce and baked in the oven. Seafood includes silk fish, bog fish, red snapper and king fish, while river crayfish, Jamaican spiny lobster or guinea lobster are particularly famous.

Pepper-pot soup, made from native spinach, calclu, salt beef, pork, crayfish and seasoning of hot country pepper is a favorite recipe. Jamaican Blue Mountain coffee has been one of the finest coffees in the world for centuries.

One of the biggest tourist attractions is Jamaican hospitality. The visitor is greeted on his arrival with the traditional cold rum punch and is treated like a favorite guest. Courtesy is the keyword and service is magnificent. There are two people serving every three tourists in Jamaica.

Some of the world's most luxurious hotels are found in Jamaica and with tourism increasing so rapidly (some say it will soon be the island's most important industry), new hotels are springing up in every resort area. The Jamaica Tourist Board, a highly efficient and energetic advisory body whose members are drawn from private enterprise, has done much to promote tourism and increase facilities.

Canadians Investing

The industry has been made very attractive to foreign investors, and Canadians are putting their money into Jamaican tourism in increasing numbers (FP, July 7, July 21).

During the winter season, hotel rates average from $18 to $45 per day for two, with meals. They are approximately 40% lower in summer.

There are five main resort areas in Jamaica.

Kingston, the capital, is a fascinating old city with historical monuments, buildings and churches galore. Here too, is the scene of stirring English pageantry. The Institute of Jamaica, with its library, museum and history gallery is well worth a visit, and there are some quaint native markets to explore.

At nearby Port Royal — former capital and rendezvous of 17th century pirates — the visitor can see the ruins of Fort Charles and walk in the steps of its famous governor — Lord Nelson. Here too, is "Morgan's Harbour" on the site of the governor's residence in Captain Morgan's day. Today this is a wonderful tourist centre with swimming pool, beach, restaurant, yacht marina with sailing vessels for hire and at night there is dancing to the music of calypso bands.

Just five and a half miles from Kingston are the Hope Botanical Gardens — 200 acres of orchids, tropical trees and colorful plants. Some lovely drives may be taken from Kingston through magnificent scenery. The visitor should stop at Spanish Town, to see relics of Spanish colonial days.

Sailors' Town

The seventh largest harbor in the world, Kingston is a sailors' haunt. The city also boasts tennis courts, golf courses, a polo field and race track.

Kingston is a sophisticated city with lively night clubs, cocktail bars and smart shops. The tourist can pick up imported china, glass, sports clothes, leather and lovely native handicrafts at attractive prices.

Among the outstanding hotels here are **Courtleigh Manor, Manor House, Myrtle Bank** and **South Camp.**

All along the north shore of Jamaica there are lovely resorts. One of the most famous areas is Montego Bay at the western end of the island. Known internationally as the "fashionable centre of the Caribbean" it blends modern luxury with history and local charm.

Legend claims that the ghosts of pirates, freebooters and slave runners roam here and natives speak in hushed whispers of the "duppies" (ghosts of murdered slaves) who dwell in the cotton trees.

The Bay is world famous for its swimming, particularly at Doctor's Cave — so called because it originally belonged to a group of doctors.

Fishing is done in water that is so clear that anglers can select their own fish, while boats floating on the surface seem to be suspended in mid-air. There is excellent riding along the trails of the Cockpit country nearby and at Fairfield Country and Golf Club an international tennis tournament is held annually.

Shining Lagoon

A beautiful phosphorescent lagoon, said to be the world's most brilliant, lies within an hour's journey.

Hotels vary in size and price. There are luxurious establishments with sun decks, cocktail lounges and excellent evening entertainment. Others are remodeled homes of early sugar and rum barons. Among the outstanding hotels are **Bay Roc, Coral Cliff, Gloucester House, Good Hope, Half Moon, Montego Beach, Montego Inn** and **Sunset Lodge.** At **Round Hill,** a fine resort opened about three years ago on a beautiful old estate recorded on Lord Halifax's map of 1763, a colonial-vintage plantation breakfast is being revived this year.

The feast, which dates back to the buccaneer era, takes place on the patio outside the great house at 11 a.m. every Sunday, with scarlet coated waiters serving apéritifs of cold rum punch or strawberries dipped in green mint and floating in champagne, followed by delicious traditional dishes.

Casa Blanca, one of the most famous Jamaican hotels, was recently purchased together with surrounding properties by a Canadian, U.S. and Jamaican syndicate (60% Canadian). The owners plan to build two additional hotels (one apartment-type) and to make the area one of the most modern and luxurious in the world.

Ocho Rios and the central north coast area is both the oldest and the newest region in Jamaica.

Columbus Landed

It was at Discovery Bay, a little west of Ocho Rios, that Columbus landed. But the area contains some of Jamaica's newest and most luxurious hotels. The scenery here is magnificent. There is superb salt-water bathing and fresh-water swimming in Dunn's River.

Fern Gully, a narrow canyon, is a particularly famous beauty spot, where for five miles the road winds in and out between giant ferns and other exotic tropical vegetation. Roaring River Falls, at Ocho Rios is the largest in Jamaica, and is an impressive sight.

In this area, some of the outstanding hotels are **Jamaica Inn,** and the brand-new **Plantation Inn** (both owned and operated by Canadian Cy Elkins), **Sans Souci, Shaw Park** and **Tower Isle.** At Arawak a new development is to be opened by a Canadian syndicate.

"River-rafting" is a favorite sport in the Port Antonio region — northeast coast of the island. Comfortably seated on a bamboo raft, and guided by a native pilot, the visitor glides down the Rio Grande — perhaps stopping to bathe or eat a picnic lunch. He may even catch his meal of fish or lobster en route.

The area's interior is mountainous, containing Blue Mountain peak — Jamaica's highest point. A leisurely motor drive through the mountains reveals some breath-taking scenery.

Two excellent hotels at Port Antonio are the **Bonnie View** and **Tichfield.**

Lovely Scenery

Mandeville, in the central highlands, is in the midst of lovely scenery and is surrounded by charming little villages. The temperature is a little cooler here and ideal for a vigorous outdoor life of tennis, golf, hiking or horse-back riding. Sightseeing by car is also highly recommended.

Drive along "Bamboo Avenue" near Lacovia, where bamboo trees interlace overhead to form a Gothic arch for more than two miles. And visit "English Village" for its rural Old Country atmosphere.

The south coast, with its excellent deep-sea fishing, is easily reached from Mandeville.

Hotels here include **Manchester, Mandeville** and **Wickham.**

Several airlines offer service to Jamaica. **TCA** flies direct from Montreal and Toronto. **Pan American** and **BOAC** fly from New York. The return fare from Toronto is $227 or $270 for BOAC's first-class service.

Jamaica is today enjoying a period of greater prosperity than at any time during the past 100 years. As leading member of the British West Indian group, she is an island of considerable importance in the modern world. The combination of bustling economic activity, cosmopolitan atmosphere, beauty and charm makes this Caribbean corner a delightful holiday destination.

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Hookey Is Million-Dollar Game

Here's Why Workers Take Unofficial Days Off Jobs

Absenteeism costs Canadian industry millions of dollars a year. Strangely enough:

- A small number of workers are responsible for most of the absences.
- Workers under 20 have the highest rate of absenteeism.
- Those over 50 lose fewer days than any group.
- Women are absent more frequently than men.
- The day after payday, and Mondays, are "black" days.

These are some of the thought-provoking conclusions by Dr. Charles W. MacMillan, professor of Health and Social Medicine, McGill University, chairman of a committee enquiring into this problem for the Health League of Canada. Here's a digest of the committee's report:

Absenteeism, the failure of workers to report on the job when they are scheduled to work, includes time lost because of sickness and accident as well as unauthorized time spent away from the job for other reasons. Workers who quit without notice are also counted as absentees until they are officially removed from the payroll.

Absenteeism is expressed as a rate and is computed on the basis of the number of man-days lost per 100-man-days available for working. It is usually calculated at the end of each month by a formula which multiplies the average number of workers by the number of working days, times 100, and dividing into the number of man-days lost during period.

For example: if a company employing an average of 250 workers, records 200 man-days lost through job absences in a 24 work day month, then the absentee rate for the workers would be:

$$\frac{200}{250 \times 24} \times 100 \text{ or } 3.3\%$$

The expansion of industry and its impact on living and working conditions has been accompanied by an increase in absentee rates. During World War II the absence rate rose sharply to heights never before reached and threatened the country's defense production. Although the postwar rate dropped considerably, the peace time rate is still abnormally high and absenteeism, the forerunner of labor turnover, is a major problem in industry today.

In times of full employment time lost because of absence has risen to as high as 10% of total working time in some industries. Although the average for all industries may be much lower than this figure the fact is that the trend is definitely upward especially in tight labor market areas. As the labor market becomes depleted, the rate will continue to rise.

Accurate figures on absence rates for industry as a whole are not available and the estimates that are made vary widely, but the most frequently quoted peace time rates vary between 3½% and 4%.

In manufacturing in the U. S. during 1947, unscheduled absences from work resulted in the loss of 9.6 days of working time for each worker — nine days for men and 12.7 days for women; and, on the average each male worker was absent 3.4 times during the year and women 4.8 times during the year.

The Cost of Absenteeism

The primary interest in absenteeism is the cost. The Occupational Health Institute estimates that employee absenteeism accounts for a $10 billion annual loss to industry in the U. S.

An official of one of the large automobile companies has stated that a 1% increase in absence rate results in a 2½% decrease in production in the plants. If this ratio were general in all types of industry, both the adverse effect upon production and the economic loss, would be tremendous.

Using 4% as an average rate, this would account for 10% less production than could otherwise be attained.

With such an absentee rate, a company requiring 1,000 workers to meet its production requirements, would have to hire 40 additional workers. At an estimated average annual wage of $3,000 this would cost an extra $120,000 per year.

Only the direct costs are reflected in the payroll. The indirect costs are the more difficult ones to estimate. For example, what is the total loss when a worker is shifted from another job to cover the work of an absentee? Or the sales loss when a temporary substitute replaces a well-trained salesman who is absent from his job?

2.5% Of Payroll

In one survey the pay of the absentee was 2.5% of payroll and the extra force needed to carry on uninterrupted production amounted to about 5% of the total employment. These extra people had to be trained and added to the permanent staff to maintain production and the cost of carrying them must be charged up to absenteeism.

A study reported by the U. S. Bureau of Statistics in July 1948 showed that absenteeism rate decreased consistently as the age of employees increased. Workers under 20 years of age had the highest rate — 5.8%. At a point where the 45-year age group is reached, the absenteeism rate was down to 3.4%. In every age group above 50 years, the workers lost fewer scheduled days than those in any group below 50. The study also revealed that women, as a rule, have higher absenteeism rates than men. The rate was 6.5% for women and 3.2% for men, due, no doubt, to the dual responsibilities of many working women.

Some studies of the last decade have suggested that a relatively small proportion of the employees may contribute a disproportionate amount of the total absence. It has been estimated that 55% to 60% of lost time is attributable to 12% to 15% of the employees; 27% of female workers in a public utility contributed 63% of the disabilities over a six-year period.

General Reasons

No single cause explains excessive absenteeism. The reasons are many and complex and vary from city to city, industry to industry, between similar plants in the same general area, and even between different departments in the same plant.

There are, however, a few general reasons that occur fairly constantly. They are:

1. A small number of workers are responsible for most of the absences.
2. Women are absent more frequently than men.
3. Married women have poorer records than single women.
4. Workers are absent most frequently on the last day of the work week, on Mondays, and on the day after pay day.
5. The absence rate of handicapped workers is low.

It might be argued that excessive absenteeism could be controlled or at least be improved by getting rid of the worst offenders, sometimes called chronic absentees, and by refusing to hire potential offenders. The few attempts that have been made to deal with the problem in this way have ended in failure because some of the factors contributing to the development of chronic absenteeism lie outside the worker; indeed, sometimes management factors are the main causes of absenteeism.

The reasons most frequently given for absences fall into three main classes:

—Personal causes, by far the most important of which are illnesses and accidents, either in the worker or his family. Others are seeking other employment, personality maladjustment and alcoholism, unrealistic standards of wants, misunderstanding of policy, and household duties.

—Cause originating or occurring in the community, e.g. poor transportation, inadequate housing, or a high level of business activity.

—Causes originating within the plant; such as, poor supervision, long hours of work, level of wages, poor selection and placement, excessive fatigue, ineffective dealing with grievances, inadequate training programs, etc.

Many companies have observed that short-term absences tend to diminish during periods where jobs are scarce and to increase during periods of high employment. These short-term absences, although not of great importance to the individual, in the aggregate can become very important to the employer.

Ship Order Sparks Rumor Of Dock Sale

An order to build an upper lakes freighter of about 25,000 tons has been placed with **Port Weller Dry Dock Ltd.** by the **Upper Lakes & St. Lawrence Transportation Co.**, Toronto. Building is likely to start at the end of the year.

The dock, in operation since 1946 but completed 15 years earlier, is engaged mainly in ship repairs and conversions. Two 3,000-ton canal boats were built there last year and before that three large ships for **Colonial Steamships.**

The order has sparked rumors that the Upper Lakes & St. Lawrence Transportation Co. has acquired control of Port Weller Dry Dock.

The rumors are not confirmed. Says the transportation company's president John Leitch:

"We have always had an interest in the dock. I can't say what interest we now have, but it is somewhat larger than the 5% holding we had about a year ago."

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Where Will Taxmen Strike Next? Capital Gains May Be Target

When 100 top lawyers, accountants and executives swap ideas on tax legislation and discuss the latest judicial decisions on tax appeals, the result is a highly informed look at the impact of taxes on business planning. Here are digests of papers read to a tax seminar at Queen's University, Kingston, by some of Canada's leading taxation experts:

Is It Capital Gain or Income? Ottawa Could Cut Confusion

By STUART D. THOM
Partner, Osler, Hoskin & Harcourt, Barristers

In the Canadian picture, the first impression is one of confusion and uncertainty in the public mind as to the practical situation with regard to capital gains. This unfortunate state of affairs is the outcome of a number of factors some at least of which are temporary and subject to correction.

First, there is an inevitable borderline situation latent in any tax system which does not lock all receipts under a common heading and apply one tax to the whole amount. It might appear from the somewhat complacent comments of the majority report of the Royal Commission that this no-man's land between taxable and non-taxable gains could be shrunk to modest dimensions by continued judicial refinement of the applicable tests.

However, biting comments in the minority report of that Commission emphasize both the element of uncertainty in the law and the inequities between taxpayers which such uncertainty breeds and tolerates.

In the U. S. the identification of the dividing line between income taxed at ordinary rates and that taxed at capital gain rates presents a similar problem but with less exasperating overtones because the issue is not as to whether to pay or not to pay, but only as to the amount to be paid.

If it is to be a principle of the law that capital gains shall be distinguished from taxable income there will inevitably be cases in which dispute arises, no matter how carefully or exhaustively tests or definitions are prescribed.

Follow U. K. Lead

Another factor of the problem in Canada is that our courts not only purport to follow, but in fact pretty well do follow, the law as it was developed in Great Britain. I can conceive that in the 1920s there may have been considerable public feeling against the generally successful efforts of the Revenue in that country to expand the significance of income for tax purposes.

For its own reasons, good or otherwise, the tax administration in Canada appears to have made little effort in the years before the last war to apply the principles of law that had been developed in the mother country. I think it is correct to say that prior to the decision in 1948 by Mr. Justice Thorsen in the case of **Atlantic Sugar Refineries Ltd.** there had been but one other case in which the principles relevant to the distinction between taxable and non-taxable income were discussed — the Morrison case in 1927.

It may be that during all those years Canadian taxpayers were being assessed for tax and willingly paying tax that in Great Britain was a source of constant litigation, but I doubt it. Rather, I think that during those years government inertia allowed a conception of tax-free gains to become established in the public mind in this country that was not warranted by the law.

If today that conception is being reduced to its proper dimensions to the accompaniment of considerable complaining from some quarters, it does not follow that non-taxable capital gains are vanishing but that certain gains having the quality of income but hitherto ignored are now being taxed.

A further contributing factor to our Canadian problem is the unpredictable but nonetheless real impact of the U. S. rules and practice in the mind of the Canadian taxpayer. It is, for instance, generally believed that there is a greater degree of certainty regarding the tax cost of a transaction in the U. S. than is the case here.

Actually that is probably so. Where all gains are income and categorized only for the purpose of determining the rate of tax it is feasible to go quite a distance in the way of laying down statutory rules to separate the categories.

The outsiders' knowledge of Government policy is necessarily sketchy and probably inaccurate where, as in the case of capital gains, we have to rely on the trend of the cases supplemented by such other odds and ends of information as can be picked up. Government officials appear to have an aversion to making public statements of policy in anything but the most general language.

In the taxation field this has unfortunate consequences where there is every indication that government policy is undergoing a period of change. Unless the nature and significance of the new approach is made clear to the public, people naturally go on about their affairs on the basis of what the law is commonly known to be from past experience.

I have already drawn attention to the difference between the law in the sense of a body of principles and the law as it is applied to particular taxpayers through the administrative arm of the Government — in this case the National Revenue Department. It is law in the latter sense that is in the public mind and when the knowledge of what that law is is dependent upon judicial decisions that often take three, four or even five years to mature, the lag between the law that is motivating government policy and public awareness of it becomes serious.

It is that lag which I rather think generates the feeling everywhere that the Government is up to some tricks, and that in some devious and secret way we are about to be deprived of the tax-free enjoyment of capital gains. We must do the best we can, however, to grasp the present state of the law.

Turning first to the statute law, in recent years the Government has acted through statutory provisions and supporting regulations to bring under tax amounts that formerly were tax free. The instance that immediately comes to mind is that of the recapture of depreciation. By reason of it, part at least of an amount that is non-taxable gain on any basis of principle is now taxed.

The Government's justification probably is that the allowance for depreciation is on account of capital and the taxpayer cannot expect to enjoy the deduction of a capital amount from income without suffering some compensating addition of a capital amount to income on the same account.

Not all capital deductions that may be made from income are balanced by some form of a capital inclusion in income. Depletion allowances, for example, are given in respect of the wasting capital value of certain types of property and are allowed as a matter of policy with no accompanying disadvantage.

Along the same lines are the allowances for exploration, prospecting and developing expenses in the oil and gas and mining industries. These amounts, usually referred to as preproduction expenses, are allowed as deductions from income although in principle they are clearly of a capital nature.

The Government, in fact, as we all know, is very considerate of the natural resources industries and to come back to capital gains, reference should be made to section 83 exempting prospectors' profits from taxation.

The immediate interest this section has is that the administration treats it as defining the limits of tax-free gains in mining. A gain that does not qualify for statutory exemption is regarded automatically as taxable within the intent of the statute no matter what the particular facts of the case may be.

U. S. A Model?

Turning to the case law, the first question that comes to mind is to ask why the law of Canada recognizes the distinction between income and capital gains at all. I don't think, or at any rate I hope, that this is not a foolish or unnecessary question. I ask it because I think the answer has some present-day significance.

The language of the Canadian Income War Tax Act is similar to the language used in the U. S. statute and has no resemblance to the language of the British Income Tax Act at all. One is almost forced to believe that the draftsman of our act took the U. S. Act as his model, at least in this regard.

By 1917 the all-embracing concept of income that characterizes the U. S. income tax scheme was well to the fore in that country, even though it had not been conclusively affirmed by U. S. Supreme Court judgments.

One is tempted to ask whether similarity in statutory language was intended to be the prelude to parallel conceptions of the meaning of income. Actually there is not much direct evidence on that point one way or the other and the question is simply not discussed in any of the early cases.

It seems to me to be reasonably clear that our economic development has many more points of resemblance with that of the U. S. than of the Old Country, and one might have expected that the economic consequences as evidenced in the field of taxation would have been to follow the U. S. practice.

If I am not mistaken, our scheme of municipal real property assessment was copied almost in its entirety from U. S. precedents. In the field of income tax, however, the weight of U. S. precedence had no influence against the attitude of mind in this country which might be characterized as legal and political colonialism.

The point of all this is that, with the exception of the statutory interventions already mentioned, the Canadian Government throughout the history of its tax act has not taken independent action toward the molding of what might be regarded as a peculiarly Canadian type of tax.

I cannot think that it was by mere inadvertence that lawyers and the Courts were allowed to take over the interpretation of the Act from 1917 on. Rather, I am prepared to believe that it was the application of a deliberate policy of deferring to the British precedent that governed the action of the Revenue Department in the enforcement of its new law and that situation has prevailed by and large to the present time.

There can be found in the case law of Canada, Great Britain and other Commonwealth countries principles and precedents which when taken together serve reasonably well to distinguish a capital gain from an income profit. The Department of National Revenue is today drawing

(Continued on page 15)

Income Tax Is Here To Stay, Little Chance of Lighter Load

By J. HARVEY PERRY
Director,
Canadian Tax Foundation

It will be news to most people that the earliest income taxes in Canada were levied by municipal governments. In New Brunswick there are traces of taxes based on income as early as the 1840s, and they were still quite an important source in 1940, a century later. In Ontario the municipalities were authorized from 1850 on to levy a tax on income, and by Confederation many local authorities had well-developed systems. Toronto had such a tax until 1936, when the Provincial Government took over the field.

The oldest provincial tax was that of British Columbia, first imposed in the early 1870s. Prince Edward Island was the only other province in the field in 1917 when the Government at Ottawa introduced its tax. This was to be a temporary wartime measure, and in fact until 1949 the statute retained the word "War" in its title. But like many other phenomena of government this one came to stay, and I suppose this was inevitable.

Although the rates were cut down to nominal levels during the 20s and at one time there was talk of the repeal of the federal tax, it never happened. In fact during the depression federal rates were sharply increased and practically all provinces introduced their own taxes as well.

By 1939 a corporation paid taxes in all nine provinces at rates varying from 1% to 10% (Ontario and Quebec were 5% and 15% to Ottawa). In many provinces an individual paid personal tax to two jurisdictions and in some cases three.

To sum up the fundamentals—the income tax represents the fiscal expression of centuries of groping toward a better world, and is the fairest and most scientifically designed method of obtaining government revenues yet devised. It represents a marked stride in both our social and our fiscal history.

In 1956-57 the estimate is that personal income tax will produce $1,265 million and the corporation income tax $1,315 million, or between them a total of about $2,600 million. This will represent about 59% of total tax revenues. It will mean that some 44% of gross corporation profits and 6% of personal incomes will go to the Federal Government in the present fiscal year.

Profits and incomes at present levels are fat and tempting chickens — and they are being well plucked. In the long-range historical perspective this concentrated plucking of today has meant that of some $25 billion in total revenue collected since 1917 from income taxes about three quarters has been collected in the last ten years. We of this generation are truly the children of the income tax.

The historical fact that stands out above all others in recent times is that taxes have reached heights unprecedented in our peacetime history. Further, I think that if we were frank about it we would agree that this is the main cause of concern on all sides. If tax rates were one tenth of their present level most of the issues which loom so large today would dwindle to the size of petty annoyances, and no more. But the fact is that there is very little promise of any appreciable alleviation of the tax load in the foreseeable future.

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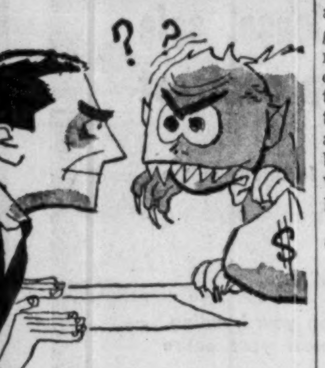

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Where Will The Taxmen Strike Next?

(Continued from page 14)

on that body of law to bring profits under tax that hitherto escaped charge not because they were capital in the eyes of the law but because the law had not been applied.

Neglect Capital Growth

It seems to be clear enough that a basic purpose of Canadian tax policy is to make this country attractive to capital. The provisions in the Act with regard to foreign business companies and non-resident-owned investment companies are conspicuous evidence of this policy.

It seems fair to say that a further inducement held out to the owners of capital is to permit them to benefit to the fullest extent in return for the risks involved in any capital undertaking. The fact that capital is laid out with the hope and intention that the undertaking will flourish and that its capital value will grow is deliberately overlooked.

The foreign or Canadian investor who puts his capital to work in industry or in the development of one of our natural resources need have no fear presently nor I think, for some time in the future that the capital growth of such an investment will be taxed. On the other hand, the so-called investor who uses his capital to acquire property with a view to resulting gain on a later sale may be, but not necessarily will be, taxed.

It is at this point in fact that the simple clarity of government policy flounders because in practice, only the gains from certain kinds of property are taxed. The blind eye turned towards stock market profits and realized appreciations in security values generally is neither explained nor excused by the tax administration.

More frequently than not, a stock market transaction or security purchase has a conspicuous trading flavor about it. The profit taker, however, escapes taxation apparently because the government is influenced by practical administrative reasons and chooses to disregard the resulting inequities between classes of investors.

To Keep Abreast Of Changes, Know Your Tax Collector

By FRANK S. CAPON,
Secretary & Treasurer,
DuPont Co. of Canada

The impact of taxation on day-to-day policies can best be realized if we look upon the tax collector as a silent partner taking about one-half of our taxable income without sharing in any way the responsibilities of running the business.

Obviously, day-to-day corporate policies must be geared to ensure that the maximum percentage of incoming dollars can properly be allocated to such columns as "non-taxable income" or "capital receipts," while the maximum amount of out-going or expense dollars can be allocated to the "taxable income" column.

The number of business transactions of a borderline nature taxwise is amazing — and in probably nine cases out of 10 the side of the fence on which an item will be placed by assessors will be decided by the manner in which it is recorded.

The individual charged with responsibility on tax matters must be kept fully informed on what is going on in your company.

Next is the principle of establishing sound relationships with the federal and provincial taxation departments. If you are to keep abreast of the constantly changing regulations and interpretations of tax laws, a good direct relationship with the tax departments is a must.

To me, the tax man in a company is primarily responsible for keeping the tax bill down by every proper means at his disposal — particularly including arranging the affairs of the company in such a way as to take advantage of every legitimate loophole. But he is also a policeman for the Government, preventing businessmen from trying to pull fast ones, slipping items through the accounts under false names, and so forth.

To sum up my four basic principles — clear and accurate records, a fully informed tax specialist, good relationships with government tax departments, and personal integrity in handling all tax matters within the company.

Tax Act Revision Needed To Restore Original Aims

By A. S. PATTILLO
Partner, Blake, Cassels
& Graydon, Barristers & Solicitors

What has been held to be the law in Canada insofar as the ascertainment of cost of sales of goods for the purpose of determining periodic income is concerned may seem sensible to the tax department, the lawyer and the layman and possibly to the accountant trained 40 years ago, but I suggest it cannot find favor with the modern thinking competent accountant.

My reasons for suggesting this are three-fold:

—The law in Canada now is that in arriving at cost of sales the inventories must be costed at identifiable cost or an assumption employed which comes closest to it.

—It can no longer be said that in ascertaining income accepted accounting principles are to be applied unless the Income Tax Act expressly says otherwise.

—I suspect the development of the idea of income for corporate purposes and income for tax purposes which will only add to the confusion of the lay investor.

In these days of fluctuating prices the business man who is a processor of raw material, the price of which is not under his control, cannot long remain in business unless he matches his purchases to sales and sells on replacement cost of his raw material content plus a profit in a rising market.

To prepare his profit and loss statement as the Department requires him to do for tax purposes means that an increase in price of raw materials probably will increase profits; a decrease reduce them or result in a loss.

This result may not mislead management but it can and does deceive shareholders and the public. In times of increase in prices it helps to create unwarranted optimism. The reverse is true in times of falling prices.

In the interests of the national economy such a situation should not be continued. Certainly I don't think a government should knowingly require it.

I appreciate that the Department of National Revenue is concerned about permitting the accounting profession to say what principles should be applied in ascertaining income. But surely it has its safeguard in the courts which would have to be satisfied as to the facts.

Unless such a change is made, the original concept of the income tax is gone, and to call the tax an income tax is a misnomer. It is rather a tax on an annual sum ascertained in accordance with specific provision of the Act and accepted practices of the Department, some of which are anomalous.

May I give a few illustrations:

(a) Advertising expense — this is commonly allowed as a normal commercial expense, but at least part of most advertising dollars is spent to build goodwill or trade reputation, both of which are clearly on capital account.

(b) Retiring allowances — In practice the Department usually allows the deduction of a voluntary retiring allowance paid by an employer. Such a payment can hardly be said to meet the test of having laid out for the purpose of earning income, since the services in respect of which it is presumably paid have already been performed and fully compensated. If we argue that the habitual payment of retiring allowance encourages employees to stay with the concern, in this light the payment is toward building goodwill at least to a degree. It might be argued that the payment of retiring allowance is really an adjustment of real wages cost, but in view of the fact that a retiring person is no longer an employee, this seems a little difficult.

(c) Death benefits — The same comments apply to death benefits as to retiring allowances, except that death benefits are not even paid to the employee and therefore the argument based upon adjusting real wages cost is not available.

(d) Cost of fire insurance — Fire insurance premiums are commonly allowed as a normal commercial expense, and yet it would be hard to imagine a payment which is more completely within the express prohibition of section 12(1) (b), being a payment on account of capital. Wages of watchmen fall in the same category.

(e) Convention expenses were allowed in practice until a recent decision of the Income Tax Appeal Board which has now been cured by legislation. The Income Tax Appeal Board held that expenses of attending conventions were not deductible as amounts laid out for the purpose of earning income, on the ground that they were too remote from the income earning process.

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Would Tax Cuts Be A Spur To Capital Investment?

By K. LeM. CARTER
Partner, McDonald Currie & Co.,
Chartered Accountants

Those who strive for reduced taxation of business draw attention to the huge sums required for industrial expansion. If corporation tax rates were lower would more money be available for capital assets?

An affirmative answer does not suggest that the whole amount of a tax reduction would find its way into increased capital expansion. Clearly, tax reductions would be spread between customers by lower prices, shareholders' increased dividends, creditors' debt reduction, and some portion would be reflected in plant expansion. Conversely, is it apparent that higher taxes would severely curtail capital expenditure?

A favorite device of government to stimulate capital has been the acceleration of depreciation.

On the other hand, in the years 1951 and 1952, depreciation of certain assets acquired in those years had to be deferred. It was intended in this manner to discourage capital investment.

At one time there was a strong feeling that depreciation being an element of cost should not be used by government as an economic device; profits should be determined as fairly as possible then the tax bill might itself be varied for economic purposes. However, this view is now well out of date and need not be taken seriously.

High rates of personal income tax levied on the so-called progressive basis has so affected personal savings as to drive them mostly into real estate, insurance, savings accounts and high grade securities. Many individuals have some mining gambling funds to provide mild entertainment in the winter evenings but few have investment funds.

Speeches have been made during the past year urging Canadians to greater participation in the development of the country's natural resources and ownership of its industries. The insurance companies, possibly the most important depositary of individual savings, will, I think, continue to be more impressed by the tax benefits of bonds than by such urgings.

While it might be possible to neutralize advantages of bonds by disallowing as deductions from earnings all bond interest paid to insurance companies, or by allowing such investors some tax advantage from dividends, roughly equivalent to the dividend credit, these are hardly reasonable solutions.

U.S. Subsidiaries May Benefit By Sending Profits Home

By GEORGE G. RICHARDSON
Clarkson, Gordon & Co.,
Chartered Accountants

An illusion may arise in connection with capital gains realized by corporations.

Supposing a Canadian subsidiary has good earnings and accumulates funds in excess of its requirements which it invests in the Canadian market and eventually realizes substantial capital gains on these holdings.

At first glance one might say that this was an ideal circumstance and that having realized such gains in Canada they would be free of tax, while if the same profit had been realized by the parent company, they would have been subject to the U. S. 25% capital gains tax.

But this overlooks the fact that dividend income received by an American parent from a Canadian subsidiary will be subject to American corporate income tax subject only to the offset for Canadian tax imposed on the dividends and income tax shown to have been paid on the earnings from which such dividends flowed.

Obviously, when the dividends flow from Canadian capital gains they will not have been subject to any income tax and the result will be a dilution of the rate of tax credits available to the U. S. parent, so that in effect the capital gains, though free of tax in Canada, may become subject to a 52% tax in the U. S. rather than the lower rate payable there on capital gains if the credit is diluted to the point where the combined credits fail to cover the gross U. S. tax payable.

In other words, it may be cheaper to transfer profits to the U. S. and invest them there rather than to invest in Canada in the expectation of obtaining tax-free capital gains.

HALF the world is half asleep! Men who could be making *twice* their present salaries are coasting along, hoping for promotions but doing nothing to bring themselves forcefully to the attention of management.

They're *wasting* the most fruitful years of their business lives . . . throwing away thousands of dollars they may never be able to make up. And, oddly enough, they don't realize — even remotely — the tragic consequences of their failure to forge ahead while time is still on their side.

These are the men who are unknowingly headed for the frustrations and the disappointments of mediocrity. They'll go part way up the ladder and down again by the time they're fifty years old. They'll be executive material in their twenties and thirties—and clerks in their fifties. They'll have high hopes for themselves and their families while they're young; but only struggling, skimping and regret later on when their earning power should be at its height.

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Dividends 16% Ahead of '55 $533 Million in 9 Months

Latest indications are that dividend declarations and payments for 1956 are still maintaining their lead over 1955 and that September will chalk up a better-than-average gain for the year to date.

The preliminary total of $532.6 million shows a 16% increase over the first nine months of 1955.

Preliminary figures alone for September indicate declarations and payments of $79.9 million, a good 20% ahead of last September.

Easily the leader in this rise is the oil group which has soared ahead by a whopping 152%. All sections have registered gains over the previous September.

Here is a comparative breakdown of the September payments for 1956 and 1955:

—In the industrial and public utilities section payments declared total $36.5 million ($36.1 million), up 1.1%, on 146 (149) issues.

—In the mining category payments declared total $20.6 million ($18.8 million), up 9.6%, on 15 (17) issues.

—In the oil group payments declared total $17.4 million ($6.9 million), up 152%, on eight (seven) issues.

—In the financial field payments declared total $5.3 million ($4.7 million), up 12.8%, on 19 (22) issues.

Following is a list of payments for September as compiled by The Financial Post from records available Aug. 31.

Monthly Dividends

	1956 $	1955 $
January	66,606,635	59,873,796
February	34,785,941	31,140,435
March	72,298,272	69,011,859
April	46,407,293	42,478,400
May	36,476,886	19,027,942
June	102,203,583	86,292,191
July	60,088,634	55,574,494
August	33,824,087	29,049,597
September	79,868,337	66,480,347
Total	532,559,668	458,929,061

Industrials and Utilities

Company:	Rate $	Date	Amount $
Acadia-Atlantic pfd.	1.25q	15	37,500
Agnew-Surpass	.10q	4	40,294
Aluminium	†.60	5	5,995,517
Aluminum 4% pf.	.25q	1	122,524
Anglo-Can. Tel. A	.15q	1	73,065
Argus	.20q	1	274,054
Asbestos Corp.	.25q	28	450,000
Auto Electric	.17½	15	22,107
Do. A	.12½q	15	.459
Barber-Ellis	.80q	14	35,200
Bathurst Pr. & P.A	.75q	1	300,000
Bird Construction	.60q	29	14,400
Brantford Cord. A	.25q	1	15,000
Do. B	.12½q	1	10,000
Bridge & Tank pf.	.72½q	1	29,000
T. G. Bright 5% pf.	.28¾q	28	28,750
Brit. Amer. Bk Note	.30q	15	45,000
B. C. Packers A	.37½s	15	105,836
Do. B	1.25	15	353,610
Brown Co.	.25q	4	661,216
Burrard D.D. A	.12q	15	30,000
Can. Cement pf.	.32½q	20	243,750
Can. & Dom. Sugar	.30	1	465,000
Can. Flooring "A"	.25q	1	10,162
Can. F'dry & Forg. A	37½q	15	9,162
Can. Malting	.50q	15	99,486
Do. pfd.	.29½q	15	58,189
Can. Vinegars	.20q	1	18,400
Can. Wire & Cable A	1.00q	15	841
Do. B	.20	15	208,298
Cdn. Celanese	.15	30	186,245
Do. $1 pfd.	.25q	30	25,000
Do. $1.75 pfd.	.43¾q	30	175,000
Cdn. Fairbanks-M	.30q	1	73,325
Cdn. Locomotive	.50	1	125,000
Cdn. Tire	.15q	1	15,000
Do. pfd.	.50s	1	34,495
Cdn. W. Nat. Gas 4% pf.	.20q		56,082
Comb. Enterprises	.15	1	90,000
Cons. Theatres A	.13q	1	10,566
Copp Clark Pub. pf.	1.50q	1	7,500
David & Frere A	.75q	28	15,473
Distillers-Seag. c.	.30q	14	2,630,805
Dom. Stores	.25q	25	402,500
Dom. Struct. Steel pf.	.50q	1	6,354
Donohue Bros.	.30q	1	90,000
Eddy Paper A	.25q	15	50,000
Electrolux	†.25q	14	307,625
Famous Players	.37½q	12	651,402
Ford Motor A & B	1.25	15	2,073,700
Gord. Mackay A	.12½q	15	25,200
Do. B	.12½q	15	25,200
Gt. Lakes Paper	.40q	30	480,000
Do. B	.30q	30	30,000
Gt. Lakes Pwr. 5% pf.	.31¼q	29	24,318
Gt. Nor. Gas Util. pf	.62½q	1	9,375
Gt. West. Garm. 6% pf.	.15q	30	7,944
Gypsum Lime	§.30q	1	264,026
Ham. Cot.	.22½q	4	18,000
Hinde & Dauch Pap.	.45	26	162,000
Imp. Glo-Glaze	.30q	1	16,683
Do. $1.50 pf.	.37½q	1	4,021
Imp. Tobacco	.10q	28	967,053
Do. pf. 6%	3%	28	240,900
Inter. Paper	+.75q	17	7,758,056
Do. 4% pf.	+1.00q	17	230,000
Island Tel. 4½% pf.	22½s	16	9,000
Island Tug 5% pf.	.25s	3	12,500
Johnston Term. 6% pf.	.15q	15	12,545
Lake of W. Mill pf.	1.75q	4	26,250
Alf. Lambert A	.15q	29	6,225
Do. B	.15q	29	6,225
Laura Secord	.25	1	71,875
Loblaw Cos. A & B	.10q	1	197,720
Do $2.40 pf.	.60q	1	217,800
Loblaw Groc. Inc.	†.37½q	1	132,685
Loblaw Groc.	.51½q	1	261,775
Do 1st pf.	.37½q	1	249,375
Do 2nd pf.	.51½	1	229,204
M. Loew's Theat.	1.00q	28	7,500
Lounsbury A	.12½q	1	13,311
Do B	.12½q+▲.20	1	12,474
Lucky Lager 5% pf.	.62½q	1	18,750
MacKinnon Struct. Stl. 5% pf.	1.25q	15	2,957
MacLaren P. & P.	.50q+▲.50	28	500,000
MacMil. & Bloedel A	.12½q	28	4,638
Do. B	.20q	28	1,049,667
Mailman $1 Prior.	.25q	29	15,896
Massey-Harris-Ferg.	.1q	1	1,427,873
Do. 4½% pf.	1.12½q	1	281,250
Robt. Mitchell A	.25q	15	55,966
Molson's Brew. A	30q	21	......
Do. B	.30q	21	......
Morgan H.	.18¾q	1	76,875
Do. 4⅔% pf.	1.19q	1	46,600
Nat. Drug	.15q+▲.10	1	62,703
Do. pfd.	.15q	1	36,663
Nat. Sea Prod. 5% pf.	2.50s	1	18,750
Nelsons Laund. 6% pf.	.15q	1	7,500
Nfld. Lt. & Pwr.	.38	1	57,000
Do. pfd.	1.25q	1	25,000
Nor. Que. Pwr. 5½% pf.	.69q	15	33,741
Do. 3-6% 2nd pf.	.75q		7,500
N.S. Lt. & Pwr. 4½% pf.	1.00q	1	20,000
Do. 4½% pf.	1.12½q	1	87,269
Ogilvie Flour pf.	1.75q	1	35,000
Okanagan Hel. 6% pf.	.15q	15	11,250
Okanagan Tel.	.25	1	52,500
Do. 40c pf.	.20s	1	10,000
Pac. West Airlines 6% 1st pf.	.15q	1	16,000
Do. 6% 2nd pf.	.15q	1	2,384
Paton Mfg.	.20q	15	10,000
Do. pf.	.35q	15	7,524
Photo Engr. c.	1.00s+▲12½	1	36,042
Powell River	.30q	15	1,260,000
Power Corp.	.50q	29	261,888
Provincial Trans.	.25q	30	87,500
Do. 5% pfd.	.64	30	19,200
Robinson Little	.20q	29	11,000
Do. A	.25q	1	6,250
Rolland Paper A	.20q	1	24,000
Do. B	.10q	1	6,000
Do. $4.25 pf.	1.06¼q	15	18,063
Sarnia Bridge	.20q	15	27,000
Scythes & Co.	.25q	1	12,500
Do. pf.	.31¼q	1	3,472
Shirriff-Horsey	.12½q	1	38,750
Sicks' Brew. com. & v.t.	.30q	29	285,600
Silknit	.25q	14	16,021
Do. 5% pf.	.50q	14	6,061
H. Simon & Sons 5% p.	1.25q	1	4,539
Simpsons Ltd.	.12½q	16	375,000
S.K.D. Mfg. 6% pf.	.15q	1	4,604
Do. 6¼% pf.	.31¼q	1	2,368
Southam Co.	.50	28	375,000
Sun Publishing	■.12½q	15	46,875
Super-Serv-Sts. 4½% pf.	.11¼q	16	5,625
Thomson's Serv. St.	.02½s	1	1,540
Toronto Elevators	.20q+▲.20	1	99,081
Un. Grain 5% A	1.00a	1	226,040
United Steel	.25q	28	117,381
Viceroy Mfg. A	.12½q	16	31,111

Company:	Rate $	Date	Amount $
Vir. Dare 5% pf.	.31¼q	1	5,000
Waterous Equip.	.37	15	71,660
Westeel	.30q	15	141,781
Western Can. Brew.	.30q	1	247,422
G. Weston 4½% pf.	1.12½q	1	132,761
G. H. Wood pf.	1.37½q	1	4,806
Total			36,504,539
Mining Companies			
Belleterre	.05s	15	75,000
Giant Yell.	.15	14	600,000
Hollinger Cons.	.06q	28	295,200
Hudson Bay M. & S.	1.25	10	3,447,466
Inter. Nickel c.	†.65	20	9,479,616
Kerr-Addison	.20q	27	940,060
Leitch	.03	14	87,375
Macassa M.	.03	15	80,342
McIntyre Porc.	.50q	1	399,000
Noranda Mines	.50q	14	2,239,772
Normetal	.15	28	563,552
Quemont M.	♦.50	28	1,051,084
Renabie M.	.05	15	52,500
Waite Amulet	.35q	10	1,155,000
Yellowknife Bear	.03	17	144,421
Total			20,610,388
Oil Companies			
Bailey Selb. 5% pf.	.31¼q	1	62,500
Imperial	.30q	28	8,967,192
Int. Petroleum	†.35q	10	5,083,893
Interprov. Pipe Line	.60	1	3,026,899
North Star "A"	.15q	15	417
Pembina Pipe Line 5% 1st pf.	.62½q	1	25,000
Royalite Oil	.06¼q	1	187,229
D. A. Stuart	.25+▲.25	1	53,985
Total			17,407,116
Financial			
Atlantic Accept. 5½% pf.	.55s	1	8,250
Banque Can. Nat.	.30q	1	210,000
Bank of Montreal	.35q	1	1,575,000
Banque d'Economique	.25q	1	25,000
Cdn. Gen. Sec. A & B	.25	14	143,320
Cdn. Int. Inv. Tr.	.15	1	18,002
Do. pf.	1.25q	1	11,625
Confederation Life	.37q	15	37,000
Dom. & Anglo Inv. Corp. pfd.	1.25q	1	12,500
Economic Invest. Tr.	.25q	28	37,500
Imp. Invest. A & B	.17½q	30	24,297
Do. pfd.	.62½q	30	7,500
Indust. Accept.	.70q	28	940,014
Do. 4½ pf. $100 par	1.12½q	28	112,500
Do 4½% $50 par	56¼q	28	56,250
Leverage Fund	.04q	15	25,061
Pac. At-Cdn.-Inv.	.03	1	8,400
Royal Bank	.45q	1	2,031,751
Victoria & Grev. Tr.	.25	15	60,450
Total			5,346,295
Grand Total			79,868,337

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for the purchase (subject to the conditions of sale hereinafter mentioned) of all the outstanding shares of stock of the said company making wholesale furniture and building materials etc. All tenders must be accompanied by a certified cheque payable to the Draper Real Estate Co. Ltd. in Trust for 5% of the amount tendered, which will be returned if the tender is not accepted and forfeited to the undersigned for the vendors as non completion of contract penalty if the tender is accepted and sale not completed by the purchaser. A further 5% must be paid on acceptance of the tender and the balance upon closing or within 30 days thereafter or as may be arranged with the undersigned as the agent for the vendors.

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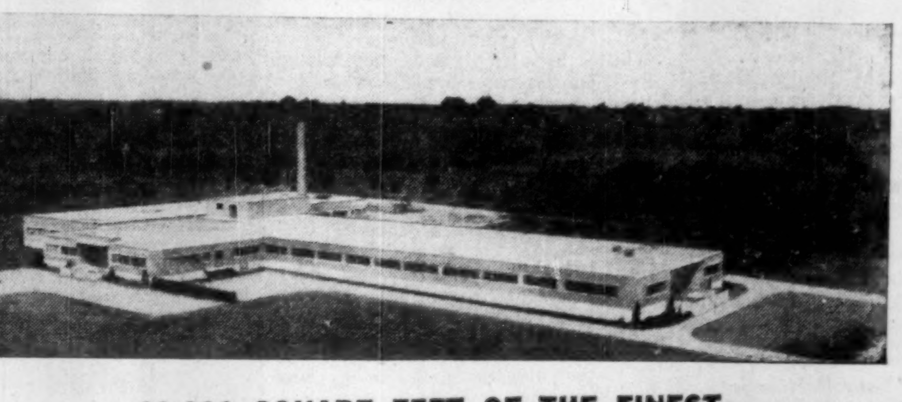

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Established Builders or Land Developers who are seeking additional capital for expansion programmes are invited to reply to this advertisement.

Write, in the first instance, giving details of business, houses under construction, potential market, and additional capital required.

Only Principals should reply. All enquiries will be treated in the utmost confidence.

Box No. 931, The Financial Post, Toronto

B. C. Tel. Plans $5 Million Issue

B. C. Telephone Co. will shortly offer shareholders $5 million ordinary shares, $25 par, on basis of one new share for every five shares held.

Issue price will be determined by the Board of Transport Commissioners at a hearing scheduled for Sept. 19. Company expects to forward terms to shareholders about Sept. 21.

B.C. Telephone will use proceeds for improvement and expansion program, which calls for expenditures of $64 million in 1956 and 1957.

Upon completion of this financing company will have 1.2 million ordinary shares outstanding and total issued capital will be $61.5 million.

Net profit for the half year ended June 30, 1956 was up 38% at $2,353,360 ($1,711,753 a year earlier), equal to $1.77 ($1.52), per ordinary share based on shares outstanding.

For 1955 net profit was up 28.3% at $3,735,193 ($2,911,809), equal to $3.28 ($2.71) per share.

ASSISTANT EDITOR
and an
ADVERTISING SALESMAN
required for leading construction journal

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Location is Metropolitan Toronto.

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requires Manager, Montreal Sales Office. Agency contacts. Bilingual preferred but not essential. Good Salary, unlimited opportunity.

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Old est. fam. comp. manuf. servic. distrib. woodwork, and Metal mach. and supplies. Also subcontr. division. Canada wide sale. Excellent reputation. Very comprehensive, drawings, records, patterns, etc. Ideal foothold to develop this expanding field. Apply Box 941, The Financial Post, Toronto.

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We offer under your private label, or ours, a proven fast selling product for fall and winter months. Distributors and jobbers wanted with established sales organization, preferably with industrial, commercial or institutional contacts. Submit business resume to

Box 942, The Financial Post, Toronto

Old established, reinforced concrete building, specialty business. Would make excellent addition or base to add to other accessory lines. Valuable equipment at low cost.

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Competent in planning and carrying out operating and sales policies. Capable administrator with imagination and ability to promote cooperation. Excellent in contact and negotiation. Responsible business background. Age 36. Would consider position as executive assistant to senior management.

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Successful Sales & War record, 35, married, 2 children, B. Comm. Past seven years Company Representative in Ontario on Direct & Retail sales. Wishes responsible field or Admin. sales opportunity. Thoroughly tested and well rated.

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at present abroad is seeking a position leading to advancement, age 35. Experience: engineering consultant on application of electrical drives to industry, including servos, magnetic & rotating amplifiers & closed loop systems.
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Please do not answer this advertisement unless you have at least $25,000.00 capital to invest.

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Main products are rubber shoes and boots plus possible small rubber products. **No Latex Goods.** He will be supported by warehouse and advertising. Turnover anticipated to eventually exceed $150,000.00. Apply in writing giving fullest particulars. Interviews by Company principals to be arranged for October. Reply

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Up To $8,000

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QUALIFICATIONS: A good education, preferably university graduation and/or membership in an association of professional accountants, wide relevant experience and superior administrative ability.

For details, write to:
CIVIL SERVICE COMMISSION, OTTAWA
Please quote Competition 56-667

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If you are a senior man in the editing-writing end of the business publications field you may be interested in a position open in the public relations unit of a large industrial company with head office in Montreal. Qualifications should include mature judgment, imagination, self-reliance, dependability and ability to get along with people. Some university training and some knowledge of the textile industry would be helpful but not essential. Residence will be in Montreal.

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Maclean's Magazine Seeks Another Advertising Man

In line with the continued growth and expansion of Canada's National Magazine—new circulation increase just announced for 1957—there is now an opening for another advertising salesman on our staff.

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This progressive company, soundly backed by European capital and technology, has asked us to assist them in locating and selecting certain executives for their Canadian management team.

1. **STAFF HEAD—Industrial Relations and Industrial Engineering**

   Salary area — $8,000 to $10,000

   An executive with experience in both Industrial Relations and Industrial Engineering *in a basic steel industry* is being sought. First emphasis on, Job evaluation, wage incentives, employment selection and training, bargaining and union negotiations. Second emphasis on, manufacturing methods, cost reduction and analysis. Reports to Vice-President—Operations. Engineering graduate preferred — Age 35 - 45.

2. **STAFF HEAD—Quality Control-Metallurgist**

   Salary area — $8,000 to $10.000

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3. **GENERAL SHOP FOREMAN—Machine, Weld, Pipe, Shops**

   Starting salary — $7,000 to $8,000

   Supervisory experience *in a steel industry (basic or fabricating)* in machine shop, weld shop, pipe shop, is being sought. This supervisory post would also include responsibility for maintenance of materials handling — mobile equipment. Education — graduate or non-graduate — Age 30 - 45.

If you are interested and can qualify for one of these positions please write immediately in complete confidence. There is no financial obligation, either actual or implied, to any applicant. Our placement fees are always paid by our employer clients.

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EXECUTIVE PLACEMENT
CONSULTANTS LIMITED

Established 1931

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I would like an opportunity to help you increase sales.

Let me send you details of my 10 year business record.

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24, single, pilot license A2, good English and quite good French knowledge, is looking for responsible, interesting, real pioneering and preferably outdoor work for beginning Spring, 1957.

Please write, stating conditions and salary, to
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A Canadian company, with offices in Toronto, selling nationally known consumer products has an opening for a sales executive. This position is with a reputable, long established, still expanding organization and offers an excellent opportunity to the right man. Salary is substantial and the benefit program is a liberal one. Management is young and aggressive.

Applicants should be between 35 and 45, of acceptable appearance and in good health, possible with a university degree. They should have had a successful career in the consumer sales field and be thoroughly experienced in the direction and supervision of salesmen. They should also have participated in the development and carrying out of sales promotion programs.

All applications will be received in strict confidence. Please give full particulars of age, education, family status, business experience, and approximate salary requirements to: Box 924, The Financial Post, Toronto.

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Major business equipment firm interested in experienced high calibre business machine salesman who is not satisfied with growth possibilities of present association.

Position as sales executive virtually assured following thorough indoctrination on products, company and distribution policies.

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With salient personal information plus brief resume of business experience. Confidential interview will be arranged with company official. Our Employees have been advised of this ad.

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An outstanding opportunity in accounting is available with one of Canada's major industries. The successful candidate will be between the ages of 35 and 45 and will have had broad experience in the field and a sound education in business.

The position offers an attractive salary as well as a possible Controllership within a short period. The Company is progressive in all respects and offers generous employee benefits.

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Major Aerial Surveying Organization in Ottawa operating 24 Fixed Wing Aircraft, 16 Helicopters and large mapping laboratory has an immediate requirement for a SALES REPRESENTATIVE and invites applications from Professional Engineers, particularly forestry or civil. Will be located in the Montreal area and should be bilingual. Must have sales aptitude and initiative and be willing to travel, mostly in Eastern Canada. Age 25-38.

Will be required to contact: Oil Companies, Mining Companies, Exploration Companies, Pulp and Paper Companies, Public Utilities, etc.

Company benefits include Profit Sharing, Group Life and Group Medical, Surgical and Hospital Plans. Apply in writing, giving details of experience, salary expected, age, education, together with a recent photograph. All applications will be held in confidence.

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$15,000.-$25,000. PER ANNUM

is the earning potential of the TOP GRADE SALESMAN we shall employ within the next month for our fast growing Construction Machinery Dealership located in Montreal. The following are the requirements:—

- Proven Sales Ability.
- Mechanical Background.
- Ability to deal on top executive level.
- English speaking.
- Unlimited capacity for hard work.

If you feel you can qualify, you are invited to write full details to

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All applications will be treated in confidence

Nobody Wants To Shoot Santa Claus

Here's Why Social Crediters Can't Lose B.C. Elections

When Premier Bennett hurriedly called an election in British Columbia, he knew he was on a sure thing. The return to power of the Social Credit party on Sept. 19 seems assured, in spite of the atmosphere created by the fact that a libel suit involving a former Cabinet Minister is still before the courts (FP, Aug. 25).

In this special report to The Financial Post, a veteran observer of B. C. affairs tells how and why the Social Credit party finds itself in this unbeatable position.

Special Correspondence

VANCOUVER — Many B. C. businessmen are inclined to look down their noses at Social Credit, but most of them are ready to admit that Social Credit simply can't lose in the September 19 provincial election hurriedly called by Premier W. A. C. Bennett.

The odds are too strongly in favor of the Government in power to encourage even the hope among realistic critics that Social Crediters will go back with a reduced majority. Anything less than a resounding victory would be surprising to those who have given the situation close appraisal.

Mr. Bennett's government will no doubt be charged with all sorts of misdemeanors in office during the brief campaign which has been denounced as a "blitzkrieg" by Opposition spokesmen, but the Social Credit administration has two potent factors in its favor: 1. Prosperity; 2. A weak and relatively unprepared Opposition.

The present government's major strength lies in the fact that it has been able to ride lightly and cheerfully on a rising wave of prosperity ever since it took office, and Premier Bennett and his ministers have not been backward in claiming a good share of the credit for themselves.

The Social Crediters have been able to turn the economic boom to good account. With record-shattering revenues they have been able to finance a highway construction program beyond the most lurid dreams of their predecessors.

They have been building more bridges than anywhere else in Canada, and they are extending a railroad northward into the Peace River country at a time when most of the continent is apt to regard railroad construction as having vanished with the booms of long ago.

The once despised Pacific Great Eastern Railway, which is being pushed from Vancouver to the grain and natural gas country of the province's northern corner, is actually showing a profit. There has also been talk of extending the line into Alaska.

Convincing Voters

With such accomplishments a part of the record and the program, Mr. Bennett and his followers have not found it difficult to convince voters that Social Credit is the party that gets things done. Even the party's enemies concede that the Bennett government has achieved, often rather boldly, projects that previous administrations kicked around for years without tangible result.

To sweeten the taste of Social Credit still more the Government is offering a unique form of tax benefits to home owners both in the city and country. It plans to pass legislation providing for payment to all such people of so much cash to help them pay their municipal levy. The plan represents a roundabout way of easing the tax load on municipalities, too, but the Government probably has not overlooked the psychological reaction on the part of the average property owner in receiving a cheque from the Government.

Since there is still a good deal of truth in the adage that no one shoots Santa Claus, this relief device is expected to be a potent sales pitch of the Government in asking for endorsement at the polls.

In fact, the Social Credit party maintains that this will be the No. 1 issue of the election; that this is a contentious piece of business and the Government wishes to test the feeling of the people on it.

Lame Excuse

There are those who do not agree with the Government who declare that this is a pretty lame excuse for an election. Actually, Premier Bennett constitutionally would not be required to go to the polls again until 1958. Several Vancouver and Victoria newspapers have editorially asked why there should be this uncalled-for haste in rushing things.

The premier, of course, had a ready answer for that question. He said that the newspapers themselves were primarily responsible for his action. They had, he said, been talking about the probability of a fall election for months, and he felt that it was his duty to settle the uncertainty by going ahead and calling for such a vote so that the province could settle down and go about its normal business.

This explanation also seemed inadequate to members of the CCF, the Liberal and Conservative parties, who preferred to believe that the Government merely was anxious to catch them off their guard by allowing the minimum number of days before house prorogation and election—as little time as possible to complete their organization.

Sommers-Sturdy Affair

There were other foes of the Government who claimed that the Social Crediters wanted to be returned to office again before their bad deeds caught up with them. There was every indication that the charges of corruption that led to turmoil in the last session of the legislature would be revived during the quick and tempestuous campaign, although Premier Bennett personally ruled out of discussion the so-called Sommers-Sturdy case because it is before the courts.

Lands and Forests Minister Robert Sommers resigned under fire when charges in connection with forest management licenses were aired, and he subsequently accused John Sturdy, a Vancouver lawyer, with libel.

To make it all the more apparent that this controversy will not be neglected Mr. Sommers will seek re-nomination.

Opposition Parties

The present government has been in office since 1952 when it elected only 19 members, compared with 18 members of the CCF, six Liberals, four Conservatives and one Labor representative.

It was obvious that a government so numerically weak could not continue long in office and it was soon upset. In the election of 1953, Social Credit went back with 28 members, twice as many as the CCF elected. Liberals returned only four members and the Progressive Conservative party was wiped out.

Since then there has been no worth-while test of political sentiment, but during the interim the CCF has shown no sign of increasing strength.

The old Liberal machine that dominated politics in B. C. for so many years under Brewster, Oliver, MacLean and Pattullo has been junked.

The coalition that was headed during the war years and for several years thereafter, until the advent of Social Credit, by John Hart and Byron Johnson and Herbert Anscomb is now little more than a memory.

The Conservative party, which was in brightest bloom way back in the days of Sir Richard McBride and Billy Bowser, to be briefly revived and then wilt under the depression-time leadership of Dr. Simon Tolmie, is now but a broken blossom. Factional disputes within the party have been harmful, too.

The new Liberal party headed by Arthur Laing has never seemed able to make much progress, although it has at least been articulate in debate.

The CCF has been weakened by the loss of Harold Winch to the federal arena and failure of many of its provincial adherents to make up their minds on a platform that will suit everyone.

Yet the CCF has been the opposition in the legislature since Social Credit gained power and with the other old-line parties unable to elect more than a handful of members between them there has actually been a return to the two-party system in British Columbia, with the Social Crediters upholding free enterprise and the CCF talking Socialism.

Many things may happen between now and September 19, but it is considered unlikely that any of them will materially affect the result of the election. The party in power in B. C. "never had it so good," and it has been smart enough to take advantage of favorable circumstances.

There has been a great deal of criticism of Social Crediters since they took over from the faltering coalition, and there's still a tendency to regard the Government as one of cocky upstarts and cranks, but few quarrel with the Government's claim that, for all its faults, it gets action.

Industrial Sales Rep for Belgian Marketing Group

Industrial Sales Ltd., Montreal, has been appointed representative of the Belgian organization **UCOSIDER.**

UCOSIDER, or Union Commerciale de Siderugie, is the sales organization of six European steel mills whose total annual production exceeds 4.5 million ingot tons. Its creation was approved earlier this year by the European Coal and Steel Community.

Products include semiproducts, beam and channels, merchant bars, special sections, heavy and medium plates, universal plates, hot-rolled steel sheets, wire rods, hoops and tube strips, light rails, **fishplates and sleepers.**

White Empress TO Europe

Thrift
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SAILINGS:
From MONTREAL to LIVERPOOL

Sept.	11	Empress of France
Sept.	18	Empress of Scotland
Sept.	26	Empress of Britain
Oct.	2	Empress of France
Oct.	9	Empress of Scotland
Oct.	16	Empress of Britain
Oct.	23	Empress of France
Oct.	30	Empress of Scotland
Nov.	6	Empress of Britain
Nov.	13	Empress of France
Nov.	20	Empress of Scotland
Nov.	27	Empress of Britain

SAILINGS IN TIME FOR CHRISTMAS
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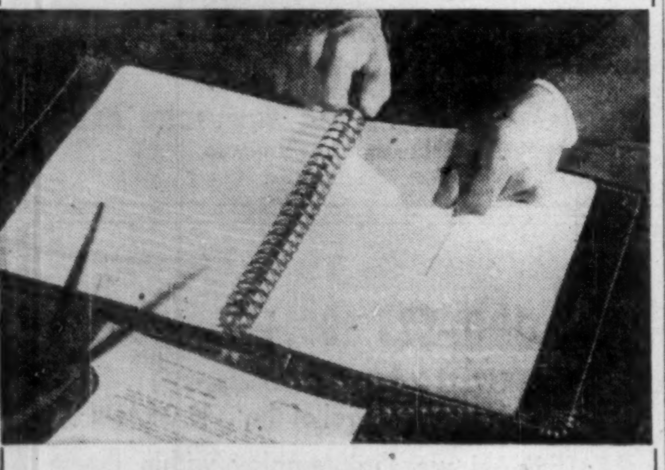
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CORPORATE CONSTRUCTION NEWS
re: CARSWELL COMPANY LIMITED

The New Carswell Building was completed in December, 1954, and is situated at Bartley Drive, Toronto.

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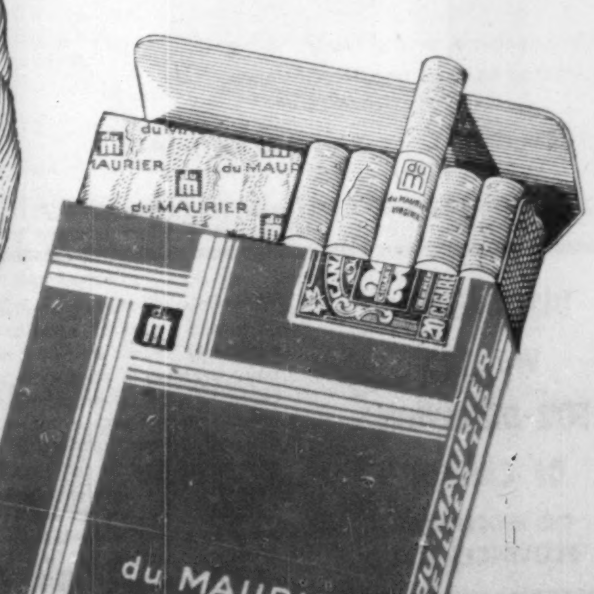

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What's New

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Gun Inspector

New four-in. gadget for looking into the bore of firearms consists of a mirror-magnet. Tool is attached to the weapon and adjusted to reflect light through the barrel to spot dirt or oil.

Transistor Charger

New transistor pocket radio is powered by rechargable nickel-cadmium batteries, whose life-span is estimated at 10,000 hours. Batteries can be re-charged as often as 200 times by plugging into an electrical outlet — even while the radio is playing.

* * *

Literate Electro-Brain

New device for use with giant electronic brains has been developed to further speed complicated computing operations. Using process called electrostatic printing, device is designed to write down brain's calculations as soon as they are made. Said capable of printing approximately 4,000 characters per second. Until this invention, information was stored in memory drum for great banks of printers to record.

* * *

Doggie Tummy Settler

Car-sick remedy for dogs, is said to enable pets to travel comfortably and without a qualm. For the highly excitable dog, who begins to drool and worry when watching the family pack the car, a pill will soothe and relax — relieving discomfort completely, it's said.

* * *

Bulge Proof Blanket

New electric blanket (for single or double bed) has signal wire system, thus eliminating bumpy thermostat. Control automatically resets itself after power cut-off. Made of new mothproof and shrinkproof fabric, and comes in four colors—blue, rose, red and green.

* * *

Sturdy, Cool Light

Swivel lights, recently developed in Canada, "stay put" in any position, provide an answer to the modern hospital need for adjustable illumination that will not drop down despite frequent adjustment and rough handling, claims the manufacturer. Various models include a metal shade that remains cool and comfortable to touch — even after long hours of use with up to 100 watt lamps. Special "plug-rack" feature allows the components of the unit to be connected and disconnected at will without disturbance to the electric feed connections.

* * *

Ringed Hanger

Clothes-closet hanger, easily fastened to a hat rack, is designed to space clothes automatically and to prevent crushing. Consists of expandable bar with rolling loops which hold the individual clothes hangers. Available in several sizes and with varying numbers of loops.

* * *

Sterile Walls

Germicidal house paint kills germs on contact, but is harmless to people or animals, it's said. Creates a film and kills germs which cause such diseases as typhoid, strep throat and diphtheria. Manufacturers claim the killing power of the paint remains 100% intact for two years or more.

* * *

Digs Ditch in Own Tracks

New ditcher digs to within 2¼ inches of the outside edge of either crawler track. Position of the digging wheel can be shifted to three separate positions — to the left or right of the ditcher's mainframes, or in line with the mainframe. Eliminates time-consuming hand digging when ditcher approaches obstructions such as buildings, poles and fences. Other features: hydraulic conveyor drive, hydraulic digging wheel hoist, variable bucket spacing, split-shaft excavator drive, and simplified, grouped operator controls.

* * *

Air Conditioned Subway

Flexible air conditioning system for subway cars was recently demonstrated in New York. Designed to operate all day, the system uses an overhead cooling unit and an undercar compressor-condenser set which is said to provide maximum efficiency with the least noise. Automatically goes into operation when car temperature rises above 76 degrees with recirculating air fan speeds gradually increasing to peak performance at 82 degrees. Outside air, filtered, dehumidified and cooled is drawn through car frame louvers at a rate of 1,500 cubic feet a minute.

* * *

New Catalogues

Office Specialty Mfg. Co. Ltd., Newmarket, Ont. announces a new catalogue entitled "Steel Office Furniture." Gives complete showing of the company's steel line including desks, salesmen's desks, combination telephone stand and filing unit and credenza for telephone books, etc.

Canadian Johns-Manville Co. Ltd., Port Credit, Ont. have published a six-page brochure showing how Asbestos Flexboard in "board and batten" construction provides a beautiful exterior wall with emphasis on vertical lines. Offers these features — walls with permanence of stone; uniform surface which can be painted any color desired; reduced maintenance; faster fabrication; lower original cost.

Du Pont Co. of Canada Ltd., Montreal has published a reference booklet containing information on their chemicals and products of chemical origin. Enclosed in the booklet is an illustrated fact sheet concerning the company.

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LABOR AND THE LAW

Union's Grievance Fails To Win Back Worker

Significant judicial, grievance and administrative decisions in the labor field are reviewed in this regular Post feature. Principles basic to industrial relations, unemployment insurance and labor law are highlighted. Here is another case:

Tony wanted to quit the Union. He stopped paying dues, sent letters to the Union and his employer saying he was no longer a member of the union local.

The labor-management contract in force at the time did not provide for union membership as a condition of employment. But it did include a provision under which the company would check off union dues, on written authority from the workers. And it also said it was agreed that employees who were union members should remain so for the life of the contract.

The Union appealed to an arbitration board. It argued:

The company should require Tony to pay up back dues and continue to pay dues in the future. Otherwise Tony should be fired. It was quite clear the contract envisioned union members remaining union members. Tony, therefore, had breached the spirit of the contract. The company was the only agency which could do anything to rectify the situation.

The company replied:

Nothing in the agreement required that employees should be union members in good standing as a condition of employment. Nor was there anything concerning penalties to be meted out to workers who did not remain union members.

The Board agreed with the company:

"The Board finds that the company has not violated the collective agreement by refusing to advise the employee (Tony) that he must maintain his membership in the Union . . .

". . . Usually, where the parties agree that the employees shall remain members of the Union, the wording of the contract is most often expressed as providing that all members of the Union shall remain members in good standing as a condition of continued employment. This contract makes no such provision."

Tony had done nothing requiring disciplinary action. He was a good worker. The fact that the Union was unhappy with him didn't, in this case, enter into the matter.

But the Board added:

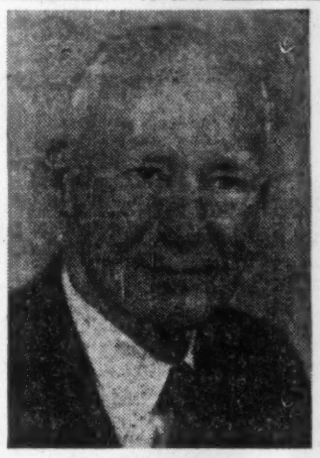
". . . It might be proper in the interests of harmonious labor relations to suggest to management . . . that it consider calling to the employee's attention the fact that the Union is the bargaining agency . . . and that the contract contemplates and provides that all employees who were members of the Union shall remain members for the life of the collective agreement."

Source: Labor Arbitration Cases published for the Central Ontario Industrial Relations Institute by Cartwright & Sons, Toronto, p. 149, 31-5-56.

ONTARIO MINES department has prepared a review of operations of the province's mines in 1954. More than 100 mines are covered by reports on operations and development work. Nine metallurgical plants are also summarized.

KENT MINES announces a geophysical survey of its property at Mud Lake in the Missinabie area north to Sault Ste. Marie, Ont. The property is a copper-gold prospect of 36 claims.

ANNOUNCEMENT



R. A. GRAY

James Richardson & Sons, Investment Dealers, wish to announce the recent retirement of Mr. Robert A. Gray, who for several years has been Assistant General Manager.

Mr. Gray joined the firm in Winnipeg in 1928 and five years later was appointed Manager of the Bond Department for Canada, a position he held until he became Assistant General Manager. Throughout his business career, Mr. Gray took an active part in the work of the Investment Dealers' Association of Canada and served as Vice-President and Chairman of the Western Section of that organization in 1940-41. During the Second World War, Mr. Gray was a Member of the Executive, National War Finance Committee (Manitoba).

It is Mr. Gray's intention to reside in Winnipeg during his retirement years.

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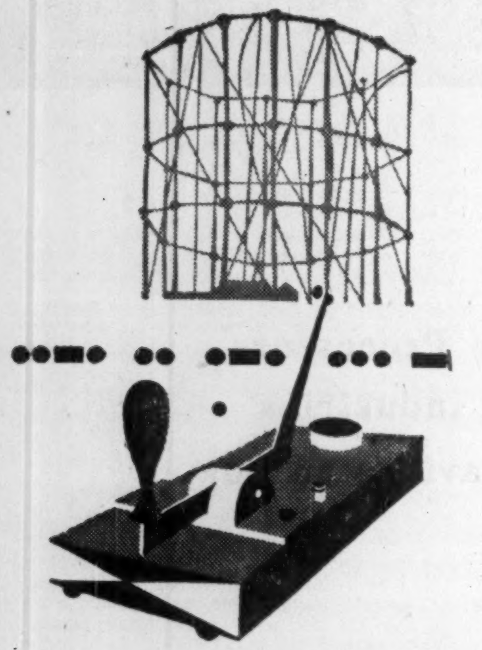

Cape Breton Island, 1902

From this antenna on a windswept station at Table Head, Cape Breton Island, in 1902, Marconi transmitted the first official transatlantic wireless message. This short message, transmitted to Poldhu Station, England, marked the birth of a revolutionary communications system that now links the world . . .

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Quebec Power Buys Land

MONTREAL (Staff) — **Quebec Power Co.** has completed foundations for the $500,000 extension of its Quebec City substation and erection work on the building and bus structure is progressing.

The two additional transformers, each 12,000 kw. capacity, for this extension have been received.

In an interim statement to shareholders for the first six months of 1956, President J. A. Fuller said land has been acquired in Levis, Que., and construction work started on a new service building to contain offices, stores and operation headquarters for the expanding area.

Right of way is being acquired for new transmission lines from Lauzon to St. Rathael on the south shore of the St. Lawrence and from Quebec to Boischatel and Beaupre on the north shore, to supply the increasing loads in these areas.

Net earnings of **Quebec Railway, Light and Power Co.,** its transportation subsidiary, was $20,789 for the first six months, compared with a deficit of $62,639 for the corresponding period of 1955. The improvement has resulted from higher fares in effect in 1956 and from operating economies made possible by use of larger buses purchased late 1955.

MARKET COMMENT

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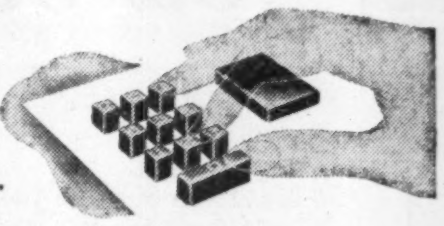

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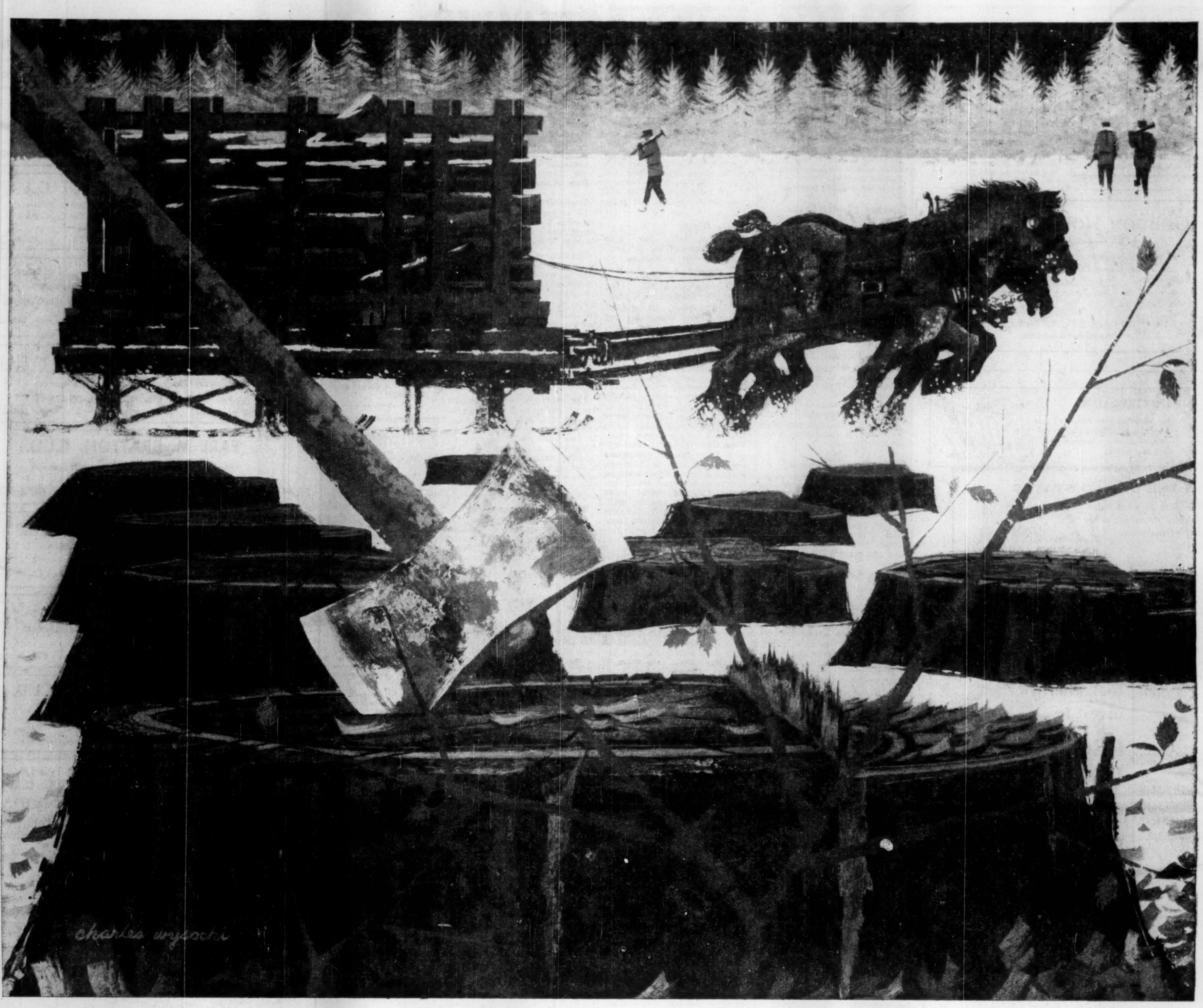

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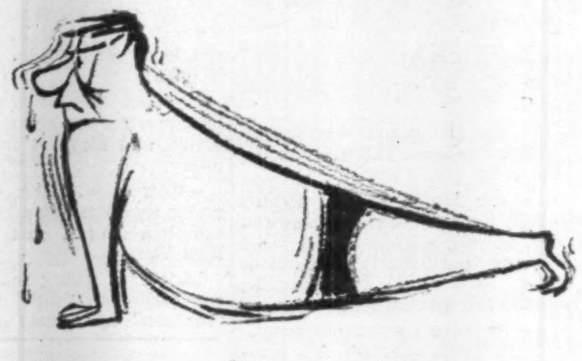
The Financial Post

Vol. L | Member of Audit Bureau of Circulations | Publication Office: Toronto, September 8, 1956 | Twenty Cents an issue, Six Dollars a Year | No. 36

"IT'S A SHAME what executives do to themselves", says Paul Pogue, Toronto physical education expert. Get the go-ahead from your doctor, then try these exercises:



ALL-OVER STRETCH — Pushup position, arms stiff; lower your hips to the floor and bring your head back as far as you can; hold for three or four seconds, then go into ...

REVERSE STRETCH in pushup position, but with seat high in the air, chin tucked into chest. Start slowly and do faster and faster, for about 12 times — if you're not tired.

STATIONARY RUNNING:
On the spot for 15 seconds to start with; knees raised six inches each step; not too fast.

STOMACH PUFFING — On your back, bend knees, bring feet under them; inhale deeply, pull stomach in; hold breath and puff stomach out, pull in; repeat three times, exhale. Do four times.

WITH TWO to 10 minutes a day, you can improve your health and business outlook, says Lloyd Percival, director of Sports College, in advocating the exercises shown at left.

How Do You Feel?

The long, hard winter work months are just around the corner. Behind that desk, you may be wishing that you had whipped yourself into better condition during the summer.

You've got plenty of company: Sports College of Canada reports that in a six-year survey only 687 executives out of 3,859 tested—fewer than one in five—can pass a "minimum ... mild" fitness test.

Here is some expert opinion on executive health, what some companies are doing about it — and what you can do about it.

By JOHN P. MACLEAN

Says **Dr. Jay B. Nash**, former director of physical education at Brigham Young University in Utah:

"Tired businessmen like to hear about 'exercise, the secret killer'. They hear that a tortoise which does not exercise lives longer than man. This is not wholly true and who wants to be a tortoise? Turtles can't play golf or land a five-lb. bass.

"No one in his right mind advocates mountain climbing for men over 40. But stay in bed three weeks and you're very weak."

Warns Professor Nash: "Life has a quick way of disposing of those who do not keep their hats in the ring. And this applies equally to muscle or brain."

* * *

Physical condition, doctors agree, is related to two things: exercise and diet.

Today's caveman in his carpeted slot in a skyscraper has no balance of food and exercise. According to **Dr. Wilhelm Raab,** director of medical research at the University of Vermont, he has "loafer's heart."

(Raab has what he calls a V-S Theory: the caveman got about 90% of his heart stimulation through V — for Vagus nerve — and only 10% through S — for Sympathetic reaction — and, incidentally, probably felt fine. The modern executive gets about 20V and 80S.)

* * *

No Canadian survey has been made on senior executives' fitness, but Sports College tested a small sample of the heir-apparents of the 31- to 37-year age group. The results were surprising, if not shocking.

There were 49 of them. They averaged 5 ft. 8½ in. tall and 174 lb. in weight. (Overweight average: 11 lb.)

Only one took daily exercise; 17 said they played the odd game of golf or bowled. Most of the rest shied away from using the stairs at the office and running for the streetcar.

Forty were smokers. Seven smoked heavily — more than 20 cigarettes every day.

The test was a modified Harvard Step Test. You step on and off a 20-in. platform 24 times a minute for two minutes. You pass if your heart rate is 100 or less when you're finished.

Only five of the 49 passed. They included the regular exercise "nut". All five were less than 10 lb. overweight; two didn't smoke.

The worst score was racked up by a heavy smoker 22 lb. overweight. Second worst score went to the flabbiest fellow, 29 lb. overweight.

* * *

Some executives not only watch their health themselves, but they pay a man to watch it for them. In Toronto such a man is Paul Pogue.

Pogue is a 41-year-old physical education expert. Since 1933 he has occupied a large suite on the 25th floor of the Commonwealth's tallest building and mother-henned hundreds of ugly-duckling executives back into svelte, if not Mr. Universe-type figures. July 1 he moved his expanding business, his four physiotherapists, his four masseurs, his skipping ropes, his ultra violet ray lamps, his black marble showers and his soft music into larger, if lower, quarters on the top of an exclusive men's club.

"I see them come in here absolutely bushed," he told The Post. "It's a shame what they do to themselves."

Pogue watches over his 350-odd executives not with sympathy but with a desire to build up their battered bodies to the point where their daily nerve-twanging routine isn't physically harmful.

He charges for it, of course. (Many companies pick up the tab.) Price is $385 a year for as much conditioning as the executive wants — not much more than the price he pays for parking his car downtown.

An out-of-shape executive is started off with a 20-minute routine, then grows into the usual hour-and-a-half treatment: supervised exercise for about 20 minutes, a relaxing steam bath at about 110 degrees for about 15 minutes, a cool shower for about five minutes and a vigorous massage for about half an hour.

Pogue likes to tell the story of the 65-year-old hardware executive who stood a middling 5 ft. 7 in., waddled about at 220 lb. "At the end of a year," Pogue says, "he was down to a normal 160 lb. And at 80 he was still getting such a bang out of life he got married again."

* * *

Another man who gets a bang out of life, but who wants to explode executives' fitness habits is **Lloyd Percival,** founder-director of 14-year-old Sports College.

"If executives would even open their office windows and scream at the pigeons to get off the roof, they'd be better off," he says. Pigeon-screaming would at least get more oxygen into the executive's lungs, oxygen being one of the things most vital to body organs.

He should know, he's a physical education professional. He has studied under Notre Dame's Knute Rockne, at Prague's Sokol Institute, at King's College in the U. K. and at New York's Columbia University.

"The trouble with executives," he says sweepingly, "is that they're 'exercise frightened'. That's because they don't know. They don't know about walking, for instance — how fast, how far or how often."

Percival speaks from experience about exercise and weight. In a four-month period not long ago he ballooned 14 lb. to 166. "I was sitting around too much on my own butt figuring out how the other guy should get off his," he admits.

That sitting around was productive, however. In about a month he will release a Sports College-tested plan for individual Canadian physical fitness. (A special adaptation for executives is shown at the top of this page.)

* * *

Executive health isn't just a problem for the individual. It belongs to the whole company. You can't put a dollars-and-cents value on a capable executive.

Large companies often have their own hospitals and doctors. Small companies more and more are employing doctors to supervise not only the health of their executives, but also keep tabs on staff generally.

General Motors, for example, pays for two rooms in the Toronto Western Hospital and "outside" doctors every January — although it has both its own hospital and doctors at near-by Oshawa. It keeps the hospital room for several months while executives of manager rank and up are given three-day tests. Cost for each executive's checkup: about $200.

Bell Telephone Co. of Canada uses its own small hospitals and doctors. One doctor recently suggested to a very senior official that he "take off 40 lb. or you won't be around this world long". The 40 lb. came off.

Imperial Oil Ltd. has added a full-time industrial hygienist to its staff of doctors and nurses. He's the first in Canadian industry. He travels about 25,000 miles a year to visit Imperial's plants and offices to ferret out visible and invisible health threats.

Most important of these three plans, at least from the executive's point of view, is the fact the examinations are both voluntary and confidential. The executive knows he can keep his medical state to himself and correct it before it affects his work and possible promotion.

Health checking pays off.

In one large Canadian company, X-rays were offered recently to all employees. The medical director approached the president and asked him to set an example in the fight to detect tuberculosis. You guessed it: he had a brand new case—one that was caught in time.

In another company, 100 senior men averaging 52 years old were checked. Two had cancer in early, curable stages.

* * *

Even small companies which can't afford their own doctors and nurses, to say nothing of hospitals, are joining the medical checkup trend.

Dr. F. R. Griffin, 58, of Toronto, has an industrial practice that includes executive examination, and with two other doctors, does what he calls "an in-plant service". Where the executive prefers, the examination is done in Dr. Griffin's downtown office.

He recommends most strongly the general medical opinion that an executive should have annual checkups after 40. "After 40 the body deteriorates more rapidly," he explains. "And we doctors have to lead the way in showing better health comes from prevention, not curing."

With Imperial Oil's medical director, **Dr. R. G. Birrell,** and Bell Telephone's western medical director, **Dr. J. H. Baillie,** he agrees executives of today are aware of the condition of their health. "Why not?" all three say. "They're supposed to be a little more intelligent. They get paid for looking after things and watching their own health is one of those things."

WHY YOU GET IT:

Bell Telephone's Dr. J. H. Baillie says:

"When you slow down, your stomach muscles don't have as much as the other muscles to do.

"But you're still eating as much — and your arteries to the stomach are well-developed because you used to be in shape.

"But the muscles aren't using up the blood (energy) as fast as before.

"So energy piles up as fat around the waistline."

WHAT TO DO ABOUT IT:

The four Sports College-designed exercises guaranteed to improve your fitness—in this order: stomach puffing, stationary running, all-over stretch, and reverse stretch shown above—plus:

This fifth exercise—stand straight with stomach in, hands over head; as you take a deep breath, slowly tighten all your muscles; hold it for three count. Exhale and "go loose"—arms drop, head droops, knees relax.

"EXERCISE? RUBBISH!"

— Dr. Peter K. Steincrohn in his book, "How to Keep Fit without Exercise."

Those who don't want to exercise — or perhaps, under doctor's orders, cannot — will find consolation in the arguments of England's Dr. Steincrohn, who says:

1. At and after 40 you need all the energy you have for the rigors of "just living."
2. Exercise is "outdated," like the moustache cup.
3. Your muscles should be allowed to get "as lazy as they wish."

He didn't advocate the following sort of behaviour for every businessman but he spoke warmly of a doctor pal of his who took a week off every spring, got himself a hotel room, went into it with 14 pairs of pajamas and a stack of books, and didn't come out until it was time to go back to work.

Dr. Steinchrohn's clincher: "Your heart does as much work every day as is involved in shovelling 20 tons of snow onto a three-foot platform! You'd add that much more work to your heart's load by playing three hours of strenuous tennis. Why?"

His recommendation: "Don't stand when you can sit. Don't sit when you can lie down. Don't just lie down when you can nap."

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ONE-HALF GRAPEFRUIT
2 EGGS
3 OZ. HAM
1 SLICE WHOLE GRAIN BREAD and BUTTER
1 GLASS of MILK

POOR BREAKFAST
3 HOT CAKES WITH BUTTER and SYRUP
1 CUP COFFEE with SUGAR and CREAM

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40 gm	FAT	30 gm
40 gm	CARBOHYDRATES	100 gm
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460 mg	CALCIUM	65 mg
760 mg	PHOSPHORUS	100 mg
7 mg	IRON	2 mg
17 ug	IODINE	4 ug
4200 U.S.P. Units	VITAMIN A	1400 U.S.P. Units
0.8 mg	THIAMIN (B_1)	0.4 mg
1.07 mg	RIBOFLAVIN (B_2)	0.18 mg
15 mg	NICOTINIC ACID	0.6 mg
50 mg	ASCORBIC ACID	

ANNOUNCEMENT

A. B. BROWN

H. V. F. WILKINS

Two appointments in the Investment Division of The Great-West Life Assurance Company, Winnipeg, have been announced by D. E. Kilgour, General Manager of the Company. A. B. Brown, formerly Investment Assistant, and H. V. F. Wilkins, formerly Manager, Mortgage Administration, have been appointed Assistant Treasurers. In their new capacities they will continue to assist P. S. Bower, Assistant General Manager and Treasurer.

Trumpeter, What Are You Sounding?

Jungle Tests, Film Shows Await Army in Gagetown

Canada's $50 million Camp Gagetown in the Maritimes—one of the most modern army bases in the world—will be complete by the end of this year when between 5,000 and 6,000 troops will move in. Here is a run-down of the comprehensive facilities for unit training and division-scale exercises.

OTTAWA (Staff) — Construction of Camp Gagetown will be finished about Christmas. And early next spring, assorted units of the Army — between 5,000 and 6,000 strong — will move in.

That's the word at HQ here, based on reports that the 275,000-acre project in New Brunswick is 75-90% complete right now.

The Army won't say who is moving in but it's reliably speculated that units will include an infantry battalion, an armored squadron, an artillery regiment, a brigade headquarters plus engineer, ordinance and service corps units.

Nor does it mean that the move will leave holes elsewhere across Canada. Troops have been crowded up a little more than the Army likes in peacetime, and Gagetown spells better distribution of units across the country in permanent establishments.

Officials here say there's no intention of expanding the present army beyond its present strength of just under 50,000. Despite conscription talk, no increase is expected.

Whatever the future, Gagetown of the present — large enough to permit division-scale exercises — is quite a layout. It will have:

- Thick forest for jungle combat training, two 600-yd. machine-gun ranges and two 1,000-ft. parade squares.
- An indoor swimming pool, 12 bowling alleys and an 800-seat wide-screen theatre.

Desks and Rugs

Men will live four to a 16 ft.by-20 ft. room in 250-man concrete barracks (cost: $2,000 per man). They will have individual clothes closets and desks, and a rug (6 ft. 9 in. by 9 ft.) on the asphalt tile floor.

In case this sounds like luxury (officers' messes: $5,000 per man), the army points out:

— the World War II H-huts which housed about 75 men and cost $18,000, wore out (soft wood flooring particularly) in about nine years. These new barracks should last generations.

— We have a volunteer army.

With living quarters 85% complete, including 1,416 houses for married troops, here's a look at the degree of finish on the rest of the camp:

— **Services.** About 99% complete. This includes a 2 million gallons per day water pumping station. Here the army saved $500,000 by drilling for fresh water rather than installing a plant to convert salt water.

Also included is an "activated sludge" sewage treatment plant big enough to serve a city of 15,000. It can be enlarged.

And there's a 60,000 sq. ft. office and warehouse for the Ordinance corps, and a supply depot and 50-vehicle garage for the Service corps, a Royal Canadian Electrical and Mechanical Engineers' workshop which can fix tanks, and a dial telephone system for the Signal corps.

— **Administration.** A 100-cell detention barracks is just started. The Army's Provost Corps will run it for all three services throughout the Maritimes.

Tenders will be called in September for a 118-bed hospital. This may also be tri-service, will be run by the Army's medical corps.

Three tank hangars to hold 20 tanks each are about 25% finished, should be complete by the end of October.

Assorted office buildings and the headquarters are about 75% completed and also set for fall delivery.

—**Recreation.** The theatre is under way but not scheduled for completion until just after the New Year.

Listed for spring readiness are one 1,000-man "club" (the word "canteen" has gone) and three 1,400-man clubs and the sports fields.

— **Training.** Two unit drill halls, 110 ft. by 140 ft. will be ready this fall, and so will three 7-room lecture-and-training buildings.

The two parade squares, 450 ft. by 1,000 ft., are being paved now with asphalt along with the camp's 15 miles of roads.

The PT building, which will hold the swimming-pool, bowling alleys and gym, is 300 ft. by 130 ft., won't be ready until at least a year from now.

About 90% complete are the two 600-yd. machine-gun ranges, four 25-yard. target ranges, the 3.5-in. rocket launcher range, the hand grenade range and the light and medium mortar ranges.

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N.Y. State Prods Issue In Niagara Power Scheme

Special Correspondence

WASHINGTON, D.C. — A surprise move has been made by New York State in an effort to get the U. S. going on the gigantic power development scheme for Niagara Falls as agreed to in a 1950 Canada-U. S. treaty.

While Canada has gone ahead with her end of the bargain in developing power on the Canadian side of the Falls, the U. S. has failed to start anything on her side. The reason is that U. S. work has been stalled by a six year private-versus-public power fight in Congress.

When the Senate okayed the treaty with Canada, it reserved the right to decide whether the power development should be done by private companies or by the New York State Power Authority. For six years Congress has been arguing over who should do the job.

Legal Squabble

Fed up with the long delay, the New York State Power Authority has filed an application with the Federal Power Commission seeking an okay to start work. This is bound to set off a long-winded legal squabble between public and private power interests which might go all the way to the Supreme Court.

At one time during the long Congressional argument, the House passed a bill authorizing private companies to do the job. The Senate, however, killed it. This year, the Senate passed a bill to let the State of New York do the job. This time, the House killed it.

It is estimated by the New York State Power Authority in its F.P.C. application that the whole job on the American side of the Falls will cost $566 million. It is expected to produce nine billion kilowatt hours of electric power per year.

The F.P.C. application by New York State is aimed at getting around the reservation the Senate made in okaying the treaty. New York says it was illegal for the Senate to say that Congress could decide who gets the job. In addition, the Power Authority says it can do the job faster and better than anybody else.

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Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Steel Products

CHATCO STEEL PRODUCTS LTD., Tilbury, Ont., consolidated net loss for the year ended March 31, 1956 was $39,987, compared with a net profit of $19,195 in previous year.

Company continued to absorb unusually heavy expenditures for transition from contract manufacturing to Chatco trade-mark products, and for consolidation program. Despite loss incurred it made important progress for future earnings, says President H. S. Shannon.

Chatco disposed of all plants except at Tilbury, where it has consolidated operations.

Since year end it has improved working capital through sale of 100,000 treasury shares for $450,000. Working capital has increased to over $1 million.

Company plans to expand Chatco heating, motor truck body and steel office equipment products in current and future years. It is considering expansion into other fields as result of new interests who purchased Chatco shares.

Concentration on its own products, and consolidation of operations at one location have rapidly improved gross manufacturing profits, company says.

Earnings for first quarter of current year were 62% higher than for same period last year ($45,403 vs $28,028). These results exceeded estimates made prior to year end and appear to confirm forecasted net earnings of $156,000 for current year, or nearly $1 per share on the 160,000 common shares outstanding. Earnings may be higher, if first quarter results are any criterion, it says.

Chatco hopes to resume common dividend payments in near future, and plans to place preferred dividends on a current basis shortly.

CONS. INCOME ACCOUNT

Years Ended Mar. 31:	1956	1955
Net earnings	$65,503	$144,343
Less: Deprec.	64,983	71,199
Bond interest	40,507	41,549
Income taxes	......	12,400
Net profit	▲39,987	19,195
Less: Pref. divds.	9,463	18,925
Surplus for year	▲49,450	270

▲Loss or deficit.

Times Bond Interest Earned:		
Before depr.	1.62	3.47
After depr.	0.001	1.76
Earnings per Share and Dividend Record:		
Preferred	d$1.06	$0.51
Paid	0.25	0.50
Common	d0.98	0.004
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1956	1955
Rec. less res.	$847,064	$704,814
C.s.v., life ins.†	8,044	2,218
Inventories	999,505	889,001
Total curr. assets	1,854,613	1,596,033
Prepaid expense§	117,318	114,327
Misc. assets	19,190	19,721
Fixed assets	2,675,673	2,718,251
Total assets	4,686,794	4,448,332
Bank loan	594,006	363,949
Bond int.	16,734	17,225
Accts., tax., etc., pay.	855,575	730,654
Total curr. liab.	1,466,315	1,111,828
Due to sub.	12,838	......
4% bonds	1,004,000	1,033,500
Res. for depr.	632,595	668,944
Capital stock	398,500	398,500
Capital surplus	301,323	310,132
Earned surplus	871,223	925,428

†After loan.
§Incl. in curr. assets in co.'s report.

Working capital	388,298	484,205

Beverages

ALBERTA DISTILLERS LTD., Calgary, net profit for the year ended May 31, 1956 was 1.5% higher than for previous year ($244,050 vs $240,512).

Company achieved higher net despite gross sales dropping to $1,805,963 ($2,474,247).

Company decided on large sale of bulk whiskies totaling $1.2 million. As beverage brand case sales increased 43%, it has restricted further large sales of bulk whiskies to assure future supply. Policy is to concentrate on building Canadian beverage brand case sales, says George H. Reifel.

Selling expenses were comparatively high, while company brands were gaining acceptance against strong competition. It expects sales expenses will remain at present level.

Whisky production was continuous. Schedules were largely based on amount necessary to replace whiskies sold during year, and amount required for future sales. Production was well over sales, in anticipation of gaining a larger share of Canadian, U. S. and other export markets.

Increased tank house space, extra tank facilities, installation of additional equipment and alterations to bottling plant cost approximately $50,000.

CONS. INCOME ACCOUNT

Years Ended May 31:	1956	1955
Sales	$1,805,963	$2,474,247
Net earnings	573,117	563,271
Less: Deprec.	114,154	73,046
Bank int.	176,189	207,920
Bond int.	31,873	34,875
Bd. disc.	3,333	3,333
Bd. prem.	3,853	......
Loss sale fixed assets	......	3,585
Add: Prof. sale truck	335	......
Net profit†	244,050	240,512

†Applied against dev. costs., see Balance Sheet.

CONDENSED BALANCE SHEET

As at May 31:	1956	1955
Cash	$71,001	$44,866
Accts. receivable	365,351	1,518,833
Inventories	3,785,843	3,253,462
Total curr. assets	4,222,195	4,817,161
Mtge. bonds	5,000	......
Prepaid exp.§	27,097	31,668
Inv. in subs.	1,709	......
Org. & prelim. exp.	25,083	25,083
Bond discount	21,111	24,444
Devel. costs, etc.*	■292,859	■536,909
Fixed assets▲	1,697,669	1,755,425
Total assets	6,292,723	7,190,690
Bank loan	3,909,000	4,756,500
Accts. payable	97,851	60,487
Accrued liab.	13,869	14,200
S.f. installment	86,830	87,188
Total curr. liabs.	4,107,550	4,918,375
Funded debt	523,170	610,312
Capital stock	1,662,003	1,662,003
▲After deprec. of	557,547	445,193

■After profit of $244,050 in 1956 and $240,512 in 1955.
§Incl. in curr. assets in co.'s report.
*Development costs and general expenses not allocated to production costs.

Working capital	114,645	†101,214

†Excess of curr. liabs. over curr. assets.

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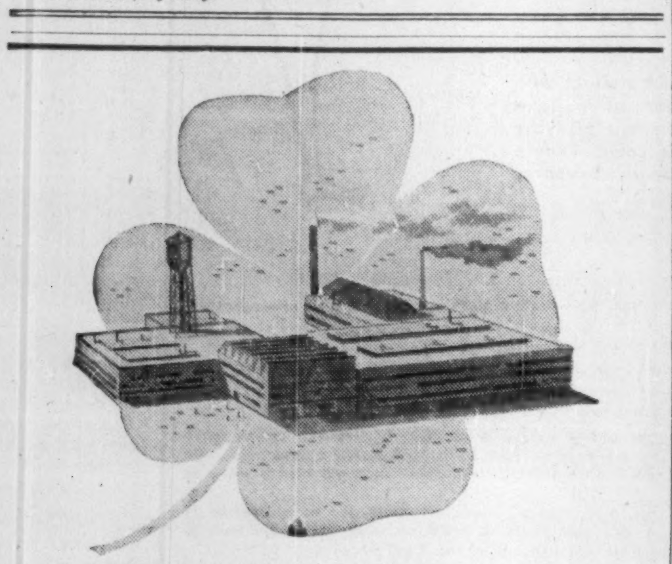

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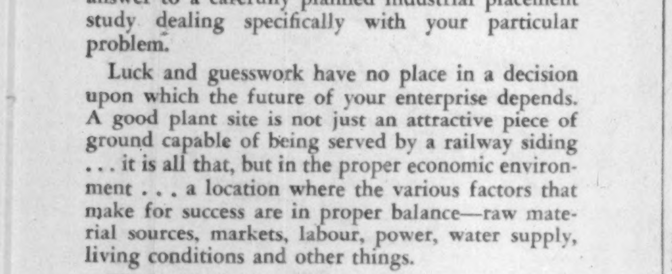

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Montreal, E. Duncan Millican, President

Money: Our Biggest Municipal Woe, Cities Need Cash, Must Pay Better

● Financial resources of municipalities are insufficient . . .

H. CARL GOLDENBERG, municipal legal expert.

Canada's unparalleled economic expansion in the relatively short post-war period has posed a serious financial problem for Canadian municipalities:

Concentration of population growth in urban units has called and will continue to call for vastly expanded municipal and school facilities and services; the financial resources of the municipalities are insufficient to meet the requirements.

I submit that the further expansion which is forecast for Canada over the next 25 years makes it urgent that the problems of municipal finance and taxation be faced now.

There is no doubt that the real property tax, the major source of municipal tax revenue, is peculiarly appropriate to municipal administration and that for many years its yield was adequate to finance municipal purposes. But, as the social and economic changes of the twentieth century shifted the emphasis in municipal development from essentially regulatory activities to costly constructive services such as education, social welfare, health services and transportation, municipal revenues were called upon to finance functions which were no longer of purely local interest but had acquired a province-wide or national interest.

The relative inflexibility of the municipal revenue base is striking. For example, in the period 1930-53, urban municipal revenue increased 175%; Provincial Government revenues increased 677%. It is clear that the municipal base does not respond to economic influences as quickly or to the same degree as do taxes which are most closely related to income or to the productivity of business.

However, as far as now can be foreseen, the real property tax will continue to be the mainstay of the municipal tax structure with some possible changes and improvements.

- Consideration may have to be given to removal of industries from municipal taxation and placing them on a provincial tax roll, the revenue to be distributed among municipalities on the basis of some formula; this because of the inequities which come about when industries pay taxes to one municipality and draw their working forces from another.
- The real property tax may be improved by raising assessment standards and practices and possibly — because the small home owner tends to be over-assessed in relation to more expensive properties — by the introduction of a graduated tax rate based on property values.

While improvements could enable municipalities to make more effective use of the real property tax, I submit that it will not solve the problem arising from the fact that the tax does not respond to economic influences in the same way as other taxes.

In my opinion, the approach to the problem should be based on the theory of "parallel interest." This approach permits collection of revenues by those governments better able to collect certain revenues, and transmission of portions of the receipts to governments better able to carry out the governmental activities, but with changing concepts of which governments are "better able" in both areas.

The theory of parallel interest has been effectively applied in intergovernmental relations in Canada on an increasing scale in recent years:

—Fiscal arrangements under the Federal-Provincial Tax Rental Agreements, the sharing of the costs of the Trans-Canada Highway, the sharing of old age assistance payments, disability pensions and unemployment relief costs, and the system of federal health grants reflect the operation of parallel interest in federal-provincial relations;

—In provincial-municipal relations an increasing proportion of the greatly expanded revenues of most provincial governments is being spent either directly on or, by way of grants-in-aid to municipalities, for such services as education, health and welfare, and roads.

The grants-in-aid are not gifts by the provinces to their municipalities; they are partial compensation for the provision of services which are no longer of purely local concern but of province-wide interest and importance.

Municipal headaches came under study at the recent annual conference of the Canadian Federation of Mayors and Municipalities. Here are some solutions to the most painful.

● The slum blight is spreading rapidly in Canadian cities . . .

J. S. HODGSON, director, development division, Central Mortgage and Housing Corp.

Today we face an increasing need: blight is spreading rapidly in Canadian cities and is not being effectively checked. We need both slum clearance and redevelopment of obsolescent housing; to both of these the recent amendment to the National Housing Act provides a broad measure of assistance.

The Minister of Public Works is now authorized to enter into an agreement with a municipality wishing to redevelop a blighted or substandard area. The arrangement may provide for the payment of contributions of up to one-half the gross cost of acquiring and clearing the area. These contributions may be made progressively as a city makes expenditures. Naturally, in consideration of these contributions, the Federal Government enjoys a right to recover proportionately out of any revenues from the land.

The amendment represented a considerable widening of the National Housing Act. Formerly it was specified that assistance could be given only if the land was to be used after clearance for low-rental housing or for public purposes. Under the new arrangement the land may be devoted to its "highest and best use," whether it be low-rental, high-rental, public, commercial or even industrial.

Naturally there are safeguards. Since the Act is a housing act, it is specified that the area selected must be substantially residential either before or after redevelopment: a project must either subtract obsolete housing or add new housing.

The provisions also are evidence of a new principle under the NHA. Previously the agent of redevelopment had to be a government or a limited-dividend company. Redevelopment is now seen as a field in which the participation of private enterprise is welcomed.

● Municipal public service has developed in an unplanned way . . .

THOMAS J. PLUNKETT, manager, Town of Beaconsfield, Que.

By and large, the Canadian municipal public service has developed in an unplanned fashion; the conditions have not always existed whereby people would deliberately choose municipal employment as a lifetime career.

Many observers will agree that the most conspicuous deficiency of the municipal public service has been its failure to recruit and retain personnel capable of filling senior administrative and technical positions.

To solve this problem, it would appear to be necessary to establish an effective personnel program for an expanding municipal service.

A Career Service. The primary requirement of a sound municipal personnel program is to develop a "career" attitude towards the municipal public service. Municipal government has developed to such proportions that it is no longer possible, nor even desirable, to rely on short-term recruitment methods.

Municipal administration requires talent, energy, competence and enthusiasm for efficient and capable performance. It can no longer be regarded as a "temporary" refuge for those who are simply waiting for better opportunities to develop elsewhere.

Recruitment for Leadership. Municipal recruitment and personnel programs, as a rule, seek only to find suitable candidates for a specific position. Little thought is given to the promotion potential and supervisory and administrative capacity of the applicant.

In-Service Training. Some municipalities have introduced in-service training programs. But much more must be done in this respect. If a career service is to be developed, more direct and consistent efforts to train personnel for new and increasing responsibilities must be undertaken.

● Municipal executives receive pay businessmen would laugh at . . .

DR. PAUL W. FOX, University of Toronto.

Local government is big business — very big business. Local governments in Canada spend over one billion dollars a year — more than is spent by the governments of the three biggest provinces in Canada, Ontario, Quebec and British Columbia, put together.

Yet these governments are run frequently by part-time employees—mayors, aldermen, reeves—who receive stipends for their services which a self-respecting business man would laugh at. I ask you — what head of even a million-dollar corporation would pay himself $11,500 a year, his vice-presidents $5,000 and his division heads $1,500?

Yet these are the payments actually made to the mayor, controllers and aldermen of one Ontario city which last year spent $22 million. And these are typical of the payments to local government representatives.

The public is apathetic. They take local government lightly. They make fun of the confusions which develop when council tries to settle some great multi-million dollar scheme in a few hour's sitting without extensive study and gets entangled in a web of contradictions.

No wonder. What alderman, what reeve has got time to put the effort required into the study of complicated technical issues like redevelopment, zoning, traffic control, financing, etc., when he gets almost nothing for his trouble and has got to earn his living at some other full-time job?

Local government will not be respected the way it should be until it operates intelligently. And to act intelligently you have to have ability and to work hard.

As I see it, the only way to get able people into government and to keep them there working hard and efficiently is to pay them properly for their services. An alternative, of course, is voluntary service. But let us be realistic. Voluntary service thrived in Britain when there was a leisure class which could afford to serve for nothing. It does not thrive in North America where, whether we like it or not, everyone is trying to make a good living.

I see nothing wrong in honest, efficient, hard working, **full time** local government representatives expecting to be well paid, and I mean well paid: something like $25,000 for mayors in larger cities, $15,000 for controllers if you have them, and $10,000 or $12,000 for aldermen.

I argue it would be more economical in the long run to pay more and get better men with more time. Please don't misunderstand me. I am not suggesting soft sinecures. If you pay a man $15,000 or $25,000 a year, you can expect him to do a good job. If he doesn't, throw him out — as you would in busi-

(Continued on page 24)

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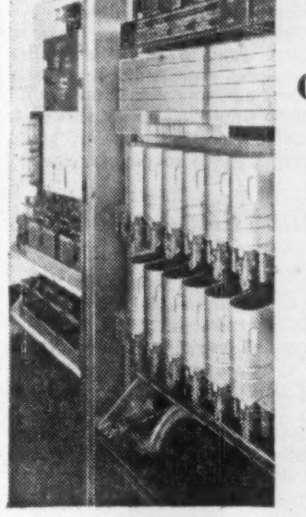

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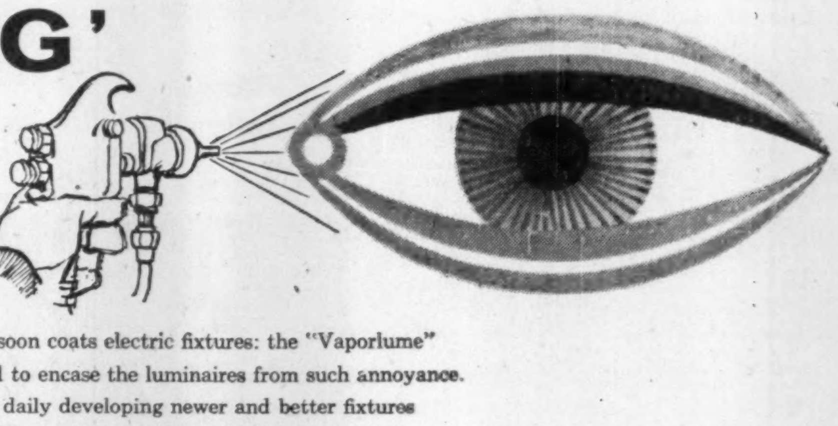
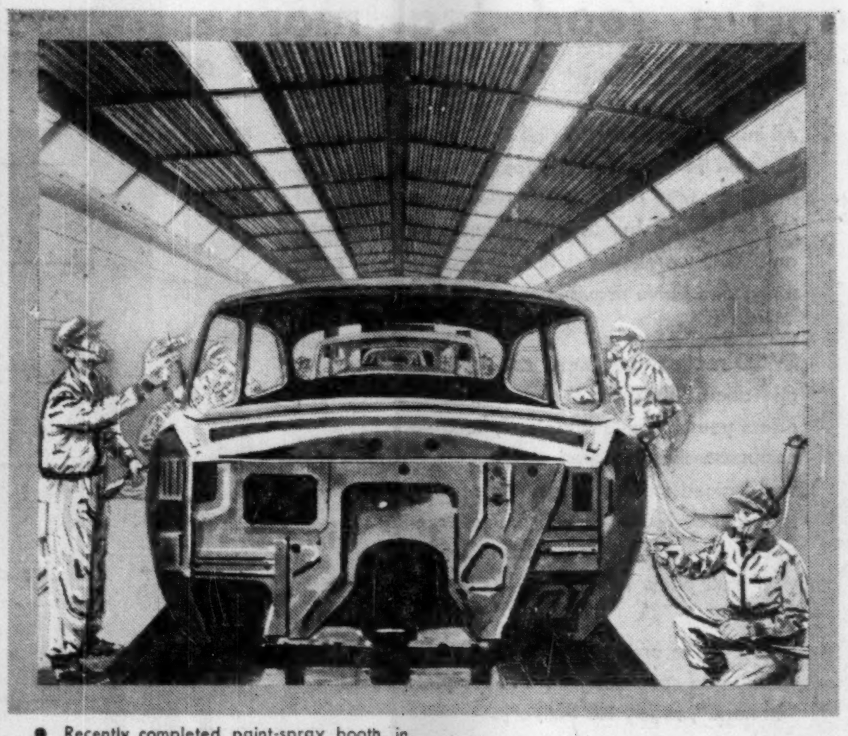
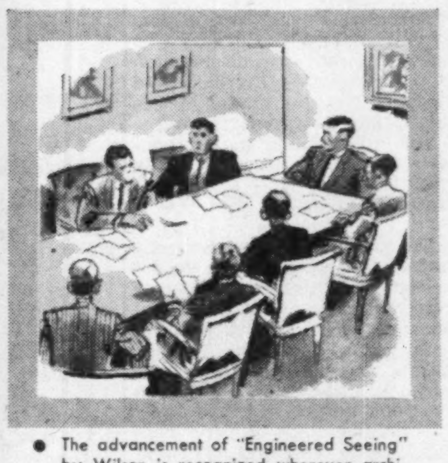


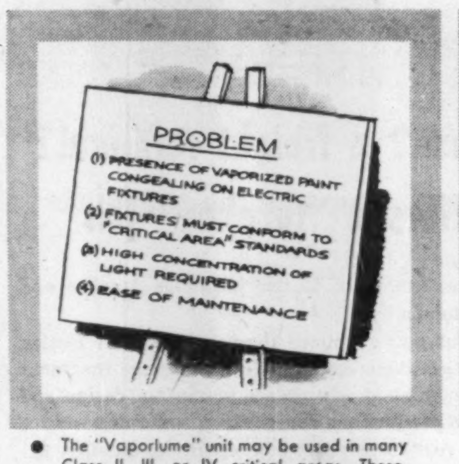
In Paint Spray Booths vaporized paint soon coats electric fixtures: the "Vaporlume" (illustrated here) was especially designed to encase the luminaires from such annoyance. In our laboratories Wilson engineers are daily developing newer and better fixtures to protect the "Eyes of Industry". Reducing eye-strain in schools, businesses and industry, increases efficiency and boosts productior



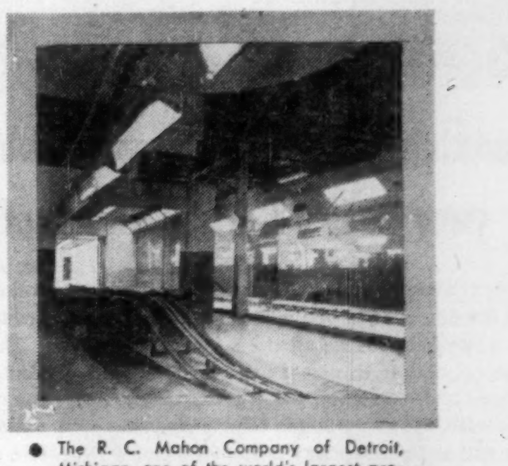
● Recently completed paint-spray booth in production line of one of the "Big 3". Wilson's "Vaporlume" fixtures were specified and can be seen at work in this photograph.



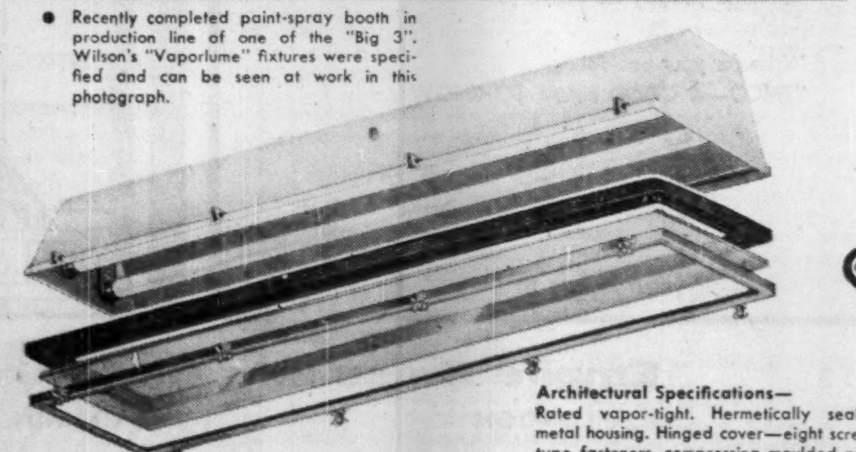
● The advancement of "Engineered Seeing" by Wilson is recognized wherever architects, illuminating and plant engineers, contractors, assemble to discuss and specify the exact lighting to be used on a project. Wilson Lighting engineers are always available for consultation.



● The "Vaporlume" unit may be used in many Class II, III, or IV critical areas. These, however, require specific approval and enquiries in this connection should be directed to our Engineering Department.



● The R. C. Mahon Company of Detroit, Michigan, one of the world's largest producers of Paint Spray Booths and Complete Finishing Systems for industry, recently selected Wilson Vaporlume fixtures for one of the largest and most modern automobile finishing systems installed in Canada.



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Money Is Our Biggest Municipal Woe

● Municipal executives receive pay businessmen would laugh at . . .

(Continued from page 23)

ness — and get someone who will. And you won't have much trouble if you offer $25,000.

My second point is merely an extension of the first. We should pay our local government civil servants more also and expect a higher standard of performance from them. You know that salaries are low for municipal officials — and I believe we get what we pay for. The result is that municipal government is often the butt of citizens' jokes about bungling and inefficiency.

This is a hard lesson to learn, that low salaries are often uneconomical, that sometimes one can save money by paying more.

However, the Federal Government in Canada has learned the painful way that it has to pay for talent, that you can't hire economists, scientists, judges, and men to run a railway or a central bank, in fact any one at any level worth his salt, without paying for it. The result is that we have one of the best federal civil services in the world. The Provincial Governments are only beginning to learn this lesson. And as far as I can see most municipal governments have not even thought about it.

And when I say "pay decent salaries," I include the things that go with good salaries: stimulating working conditions, fringe benefits, further education and training of staff. What municipal government in Canada grants leave to its employees at half pay to improve their abilities by further education the way the Federal Government does?

Well, there it is. As I see it, if you want to cure the apathy of voters, you must win their respect and interest. You can do that by providing honest, efficient, creative government. But to do that you have to pay for it.

● Federal government fails to see municipal need . . .

HON. E. W. HINMAN, provincial treasurer, Province of Alberta.

It is becoming characteristic of our way of life that the services expected by our people from governments are, in the main, of a nature as to be most efficiently and most economically provided at the local municipal level.

Some inequities in our governmental system have recently become more and more apparent:

1. The Federal Government has retained for itself the broader and higher-yielding tax fields and, plagued with its financial problems at national level, has failed to recognize the financial needs of its provinces and their municipalities.

2. The provinces have prior access to revenue sources both from tax levies and from natural resources and trading activities.

3. The provinces have unfairly left all residual responsibilities to the municipalities.

4. Subsidies and grants to municipalities have too often been conditional. Senior governments have failed to recognize the growing maturity of municipal governments and have continued to exercise supervision and control not always in the best interests of good government at local level.

5. The real property tax is nearing the point at which property becomes forfeit for tax arrears which the property owner cannot or chooses not to pay.

6. Our municipal services are closely related to people and less and less related to property.

7. There is a growing segment of our population who contrive to get a full share of our municipal services while contributing little or nothing toward the costs.

My own province of Alberta has been fortunately endowed with natural resources and has been able to contribute very generously to the costs of municipal services. Yet the municipal governments have not been able to keep pace with ever-rising costs and ever-new demands for new or additional services.

A study has been initiated by the Provincial Government to explore the wisdom of reallocating the various governmental responsibilities so that each is administered at that level at which it can most efficiently and most economically be handled.

One proposal is that the real property tax ought to cover only capital and service costs which add value to property, either in sales or rent potential. This would mean that real property would still pay such bills as those for school construction, hospital construction, library construction, a major part of sidewalk costs and costs of ordinary streets. Part of policing costs and fire protection and sanitation services may also be a legitimate cost to property.

But such costs as school and hospital operation, it is suggested, ought to be a charge on people whether or not they own or rent property. Some have suggested that adoption of this policy would permit a more realistic and encouraging industrial tax policy. It may encourage home ownership and home improvement plans.

We are hoping that:

—Shift toward centralization of governing authority which has resulted from a complex system of grants will be reversed so that more than ever the decisions can be made by representatives close to the people;

—We can reach such a degree of acceptance of some new formula for sharing provincial-municipal revenue that the clamor for subsidies to local governments shall no longer be the major concern in provincial-municipal relations.

—A new tax system will reach every adult citizen in such a way as to keep him constantly aware of the costs of the services which he demands of his governments.

—A governing body charged with a responsibility shall have its equitable share of the revenue necessary to discharge that responsibility.

Yet with all this we hope to leave with each municipal government certain discretionary sources of revenue by which it can, with the consent and support of its people, provide facilities and services beyond the normal.

● More citizens are acutely interested in municipal affairs . . .

DR. ALBERT ROSE, University of Toronto.

The evidence that there is serious and widespread apathy to municipal affairs among the mass of citizens is almost entirely circumstantial; there is considerable evidence that a great many citizens are most acutely interested in and aware of municipal affairs than ever before in our history.

It is, however, entirely conceivable that many citizens are no longer convinced that it is of much importance to vote in municipal elections. The possible reasons for this attitude are probably very numerous. It is one view that elected representatives themselves are responsible for much of this feeling of apathy.

The apathy, in short, is directed to municipal politicians rather than to municipal affairs. Why?

At the head of the list may be the feeling that the elected representatives are not really interested in the basic needs of all citizens. What evidence do we have for this view? The main illustrations I can draw are taken from my own main interests in housing and community planning.

Long Range Planning

If one studies the long history of citizen attempts to instill elected municipal councils with the tremendous importance of long-range community planning, one must be struck by the fantastic frustration which resulted from almost all of these efforts. The frustration of the past is partly responsible for the apathy of the present.

The greatest bargain in Canadian social and economic life today is the provision in the National Housing Act to assist municipal governments to build low-rental housing, particularly self-contained accommodation for old people.

I would be greatly surprised to learn that as many as 1,000 such dwelling units have been built for old people in Canada since 1945. Yet the over-60s represent 10% of the Canadian population today and are increasing in numbers and in proportion with each passing year.

There are a number of other factors of considerable importance which may serve to explain in part, such apathy as does exist.

One may be that Canadian newspapers, by and large, give the average citizen reader little opportunity to take a serious interest in municipal affairs.

It is not simply that international and national affairs take proper precedence. It is very often that municipal affairs are poorly presented at best. Squabbles, personal disputes, exhibitions of bad temper, nonsensical remarks are always presented in full detail and prominence. The sober record of sensible debate, sound decision and devoted public service are never so fully or prominently displayed.

● Foundation of good civic administration is a sorting out . . .

ERIC HARDY, director and secretary, Citizens' Research Institute of Canada.

The foundation of good municipal administration is the sorting out of problems of functions and financing and of structure and boundaries. These four matters may be defined in this way:

1. **Functions:** Local authorities should be made responsible for only those services which they are capable of performing at least as well as the Provincial or Federal Governments.

2. **Financing:** They should have access to suitable sources of revenue which can provide sufficient funds without particular or general tax hardship.

3. **Structure:** They should be free to operate under a form of council and departmental organization that is appropriate for their requirements.

4. **Boundaries:** The local government boundaries should at all times be drawn wide enough to embrace an adequate territory for the proper fulfilment of each municipal responsibility.

Good municipal administration depends upon the development of a sound relationship between the municipalities and their responsible provincial governments in these four areas and, of course, between local elected representatives and their own constituents. Now a word about each problem in turn.

Functions

If municipal financing were not difficult, local elected representatives would not be greatly occupied with the question of demarcating suitable municipal services. In order to maintain desirable standards, however, and to do so without tax hardship, it is essential for the province to share some responsibility for most public services in which municipalities are engaged.

The reaction to this situation by members of municipal councils is often extreme. How frequently have you heard it suggested that the province should pay the entire cost of relief to the unemployed, or of children's aid services, or even of all welfare undertakings? Yet, mayors or municipal councilors who know their job have no intention of accepting what this implies—a complete transfer of the service to the provincial level.

The arrangement that responsible local representatives really want is a partnership along more reasonable lines.

Finance

The same sort of over-statement interferes repeatedly with the development of sound solutions to current problems of municipal financing. The responsibilities of municipal councils for revenue raising may be considered difficult and distasteful. And yet, as everyone knows, they are likely to continue along present lines for years to come with only gradual modifications.

Before launching an attack on the province, the municipality should make sure that its problems of budgeting are faced and met under the rules that the provinces have laid down.

They should see that the assessing of real property is carried out scientifically and reviewed frequently to keep it up to date.

Again, many councils allow reserves to be accumulated from year to year which constitute a breach of the provincial law on the subject. The municipality which utilizes its own tax resources properly and budgets in the way it is supposed to do is in a much stronger position to approach the province for the extra revenues it needs.

Still again, in the postwar years municipal councils have often been guilty of underspending. But local taxpayers resent being billed for second-rate services where they might be glad to pay more in taxes if they could see top value for the money.

Structure

Local responsibilities have been farmed out to so many boards, commissions and authorities that municipalities have earned the name among political scientists of "splintered" governments.

The excuse for this kind of action is that certain responsibilities ought to be separated from direct council control to take them out of politics. Usually, however, the elected representatives are responsible for appointing the members of these special purpose bodies and many of the people they appoint are former politicians who have merely moved out of the electoral arena.

Boundaries

One of the major responsibilities of urban elected representatives is to see that the territorial scope of public services is adjusted periodically to meet the needs of expanding urban communities.

The responsibility for boundary adjustments, including in some cases the creation of new regional municipalities, is held jointly by the province and its municipalities. From the municipal side, it should be easiest to see when boundary changes are required in order that government boundaries be extended with the growth of communities. Actually, the more frequent situation is that local representatives are resisting changes which provincial officials can see as necessary and would like to promote.

How many municipal councilors are fostering a concept of "local autonomy" that is obviously out-dated? In the name of local autonomy, some members of municipal councils within metropolitan areas are favoring self-determination to a point where it becomes a case of seeking to preserve inviolate a cluster of separate balkanized municipalities that are in the process of choking themselves to death.

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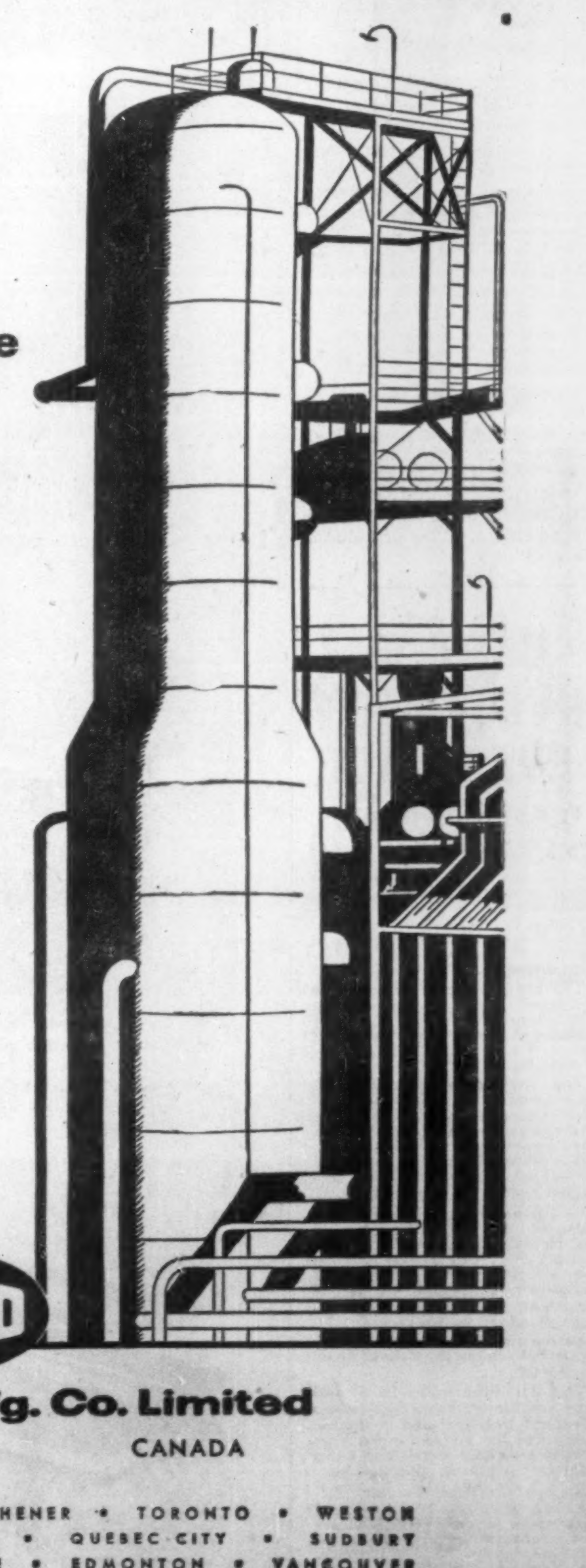

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Highways Chiefs Blast Power Urge 60 mph Limit Everywhere

From Our Own Correspondent

WINNIPEG — A group of government automobile authorities has come up with two major suggestions to solve traffic woes and make our highways safer:

- Stop horsepower and speed advertising.
- Create a single highway legal code; make it law everywhere.

In fact, one-traffic-code thinking was the dominant theme of the 24th annual conference of the American Association of Motor Vehicle Administrators, which met here last week.

The one code, considered by AMVA, would embrace uniformity in motor vehicle regulations, driver licensing, vehicle standards, road signs, financial responsibility, and even speed limits.

Law uniformity, the 475 delegates agreed, was a preliminary to solution of other problems and the main foundation for effective dealing with modern traffic.

The main problem: Highway safety.

Advertising which puts emphasis on high power and maximum possible speed of automobiles was condemned by AMVA.

Two Committees

Two committee reports censured this kind of promotion.

One originated with the Engineering and Vehicle Inspection branch presented by George E. Keneipp, director of the Department of Vehicles and Traffic for the U. S.'s District of Columbia.

Much the same kind of criticism was leveled against TV programs on another count.

Edward Scheidt, commissioner of the Department of Motor Vehicles for North Carolina and chairman of the Conference Committee of Enforcement and Traffic Safety, said his committee condemned the sensational approach to enforcement activities as portrayed in certain TV programs.

They tend to mislead the public, he said, as to the general purpose of enforcement and its techniques. They further tend to build in the mind of the motorist the conviction that enforcement exists for the hardened criminal and not for control of the behavior of the ordinary citizen on the highways.

Public officials from 55 jurisdictions, including six Canadian provinces, 46 states, Puerto Rico, Hawaii and Alaska attended the association's first conference in a Canadian city.

Most of the delegates were motor vehicle administrators in their respective jurisdictions, but there was a good representation of kindred interests.

Private Interests

The automobile and truck manufacturing industry, oil companies, insurance companies, and manufacturers of mechanical equipment and gadgets sat in on all the sessions.

In fact, the automobile industry disagreed with the recommendation against horsepower advertising.

Motor vehicle drivers and inadequate highways are responsible for 40% of road accidents, reported Karl Richards, secretary of the highway policy committee of the Automobile Manufacturers Association and manager of its field services department.

Automobiles of today are the safest the industry ever turned out, he said.

Those who complain about the high power rating of the modern car are themselves an obstacle to any previous program for curbing highway accidents.

Far from being a menace, the high power packed in the modern car was an important factor in safe driving. Its main purpose was to give the driver the extra push to get out of a dangerous situation in a hurry. Mere horsepower didn't mean speed but rather it was geared to give more power in low and medium speeds when these were needed for safe driving.

Year by year safety features were being added to the modern car. Mr. Richards said if highway engineers had done a fraction of the research work of automobile engineers there would be fewer highway accidents.

The conference didn't dispute this, but time and again throughout its sessions opinions were expressed that too great speed under the circumstances still ranked high in the causes of highway accidents.

It accepted the reports of its committees without change.

Highway traffic problems, the conference showed, are about the same everywhere, differing in degree in proportion to volume of traffic and in the method of handling.

In this second problem the objective of the conference was to get all jurisdictions on the one road.

The AMVA for years has endorsed the U. S. Uniform Vehicle Code as the model for all jurisdictions.

In the past year, officials of all states and provinces have been urged to prepare reports on their motor vehicle and traffic laws and determine how closely they comply with the code and other recommended standards.

Results of it will be evidenced at 1957 sessions of state and provincial legislatures, which likely will be asked to deal with more well-considered legislation in the motor vehicle and traffic field than in any previous year.

Canadians Ahead

Although predominantly American, Canadian jurisdictions showed they were as far advanced as those in the U. S. and well ahead of some of them.

The CMVA was presented with a $40,000 cheque by John J. Hall, director of the Esso Safety Foundation, to pay for continent-wide research study into the "point system" introduced in Manitoba in December, 1950.

Under this system records are kept of individual drivers and demerit points registered against them for traffic law offenses.

When the cumulative total of demerits reaches a certain point the offending party is called in for further test and examination, and if he fails to improve his driving habits he may be suspended from the highways or his license permanently canceled.

In its five-year operation in Manitoba, the procedure has pinpointed the problem drivers, the dangerous ones, and even the questionable ones.

It has established that about 15% of the province's licensed drivers are responsible for a large proportion of the accidents.

Six of the U. S. states use the Manitoba point system or some slight variation of it.

The research study will be undertaken by the Institute of Government for the University of North Carolina under direction of the AMVA.

It will be completed in two years and made available to jurisdictions in the U. S. and Canada.

Speed Limits

In speed limits the conference committee of enforcement and traffic safety laid down three principles for effective control:

- Fixed maximum day and night limits of an "absolute" speed, as opposed to the prima facie type.
- A basic "reasonable and prudent" provision designed to control speeds too fast for conditions, but which are under the stated fixed maximum.
- A provision permitting some agency or official to post highways at lower than the stated maximum when studies establish that such highways are inadequate for the stated speeds.

Top speeds in the various juris- of charge while U. S. trucks traveling in Ontario were claimed to be subject to a fee.

The question was referred to the Committee on Reciprocity and International Relations which decided to appoint a special subcommittee to assemble the facts and report to the AMVA at its next annual meeting.

Canadian Meeting

The subcommittee was asked to take into account the results of a meeting to be held shortly by the 10 provinces on the problem of international reciprocity of driver licensing and registration and also to obtain data from the U. S. Bureau of Public Roads on a traffic count of commercial vehicles made in 1954 at key points along the U. S.-Canadian boundary.

Decisions of the conference for the most part were approval of reports of its sectional committees on motor vehicle and traffic regulation.

The main ones in summary:

- Best possible use of available personnel and money in the enforcement field, by making fullest use of selective enforcement techniques as opposed to uniform dictions were shown to range from 45 mph to 65 mph with more uniformity in Canada.

The limits accepted by the conference were those approved by the National Committee on Uniform Traffic Laws at a meeting in Chicago this July.

- The AMVA meeting endorsed a maximum limit of 60 miles an hour for rural highways, 30 miles in built-up areas, and a new limit of 45 miles for vehicles towing house trailers.

The question of eliminating or modifying the lower night limit will be submitted to a mail vote.

The commercial trucking industry stirred up a slight controversy with complaints from Michigan that Canadian trucks were using state roads uncontrolled and unregulated and free geographical distribution of personnel. The committee suggested the one-man patrol car should be the rule except in certain selected areas where hazards of enforcement require use of the two-man car.

- Early and accurate reporting of accidents and arrests.
- Condemned the practice of reducing charges against offending drivers.
- Intensified use of the road check to stop operation of motor vehicles by unlicensed drivers or drivers under suspension.
- Supported the growing use of chemicals and other scientific tests to determine intoxication.
- Approved continued use of radar and electronic devices for detection of excessive speed.
- Public education on traffic problems through every available medium, and campaigns for organizing active public support for traffic safety.

Spruce Falls Adding 17% More Newsprint

Spruce Falls Power & Paper Co., Toronto, plans to boost the newsprint capacity of its Kapuskasing, Ont., mill from the present 242,700 tons to 281,700 tons by 1959.

Company will do this through speeding up two of the four newsprint machines so as to raise output to 255,700 tons by 1957, 278,700 tons by 1958, and then to 281,700 tons by 1958.

Sales for 1955 amounted to 245,229 tons (236,751 tons a year earlier) of newsprint and 66,169 tons (65,134 tons) of pulp.

Net profit for 1955 was 23.8% higher at $5.2 million ($4.2 million).

Kimberly-Clark Corp., Neenah, Wis., owns 50.12% of the outstanding common stock and the New York Times, which purchases the largest proportion of its newsprint requirements from Spruce Falls, owns the minority common share interest. Bulk of remaining newsprint production is sold to publishers of several newspapers including the Philadelphia Inquirer and the Washington Star.

Ontario Paper Co. Scholarship Award

Seventh winner of the **Ontario Paper Co.** scholarship is Ernest L. Umbrico, 17, of Thorold, Ont., Arthur A. Schmon, company president and general manager, announced. Umbrico will enroll in engineering at the University of Toronto this month.

The scholarship is offered annually by the Ontario Paper Co. and is open to sons and daughters of company employees and to any student who lives in the Merriton-Thorold area. Selection is by a committee of educationalists on the basis of scholastic ability and leadership qualities.

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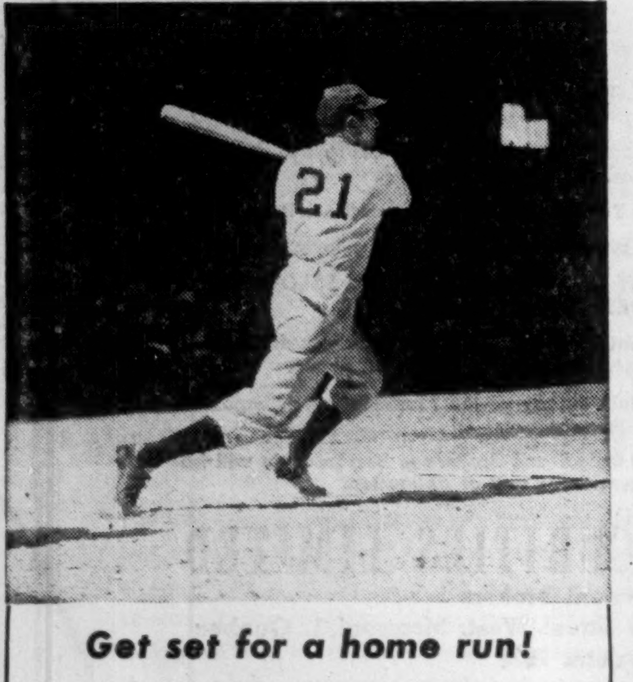

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By a Wall Street Journal Subscriber

I stood in a railroad station chatting with a friend who is a veteran salesman. His livelihood depends on his knowledge of people. "Notice the men who are carrying The Wall Street Journal," he said. "They are better dressed. They look successful. They have better cars. Some have chauffeurs."

I saw that the salesman was right. So I decided to subscribe to The Wall Street Journal myself. I have been reading it ever since. It is like having a locomotive hitched to my wagon. It tells me things to do to get ahead, to save money, to enlarge my income, to cut taxes. Last year my income was up $3,500.

This story is typical. Because the reports in The Wall Street Journal come to you daily, you get quick warning of any new trend that may affect your income. You get the facts in time to protect your interests or seize a profit. The Journal is a wonderful aid to salaried men making $7,000 to $20,000 a year. It is valuable to owners of small business concerns. It can be of priceless benefit to ambitious young men.

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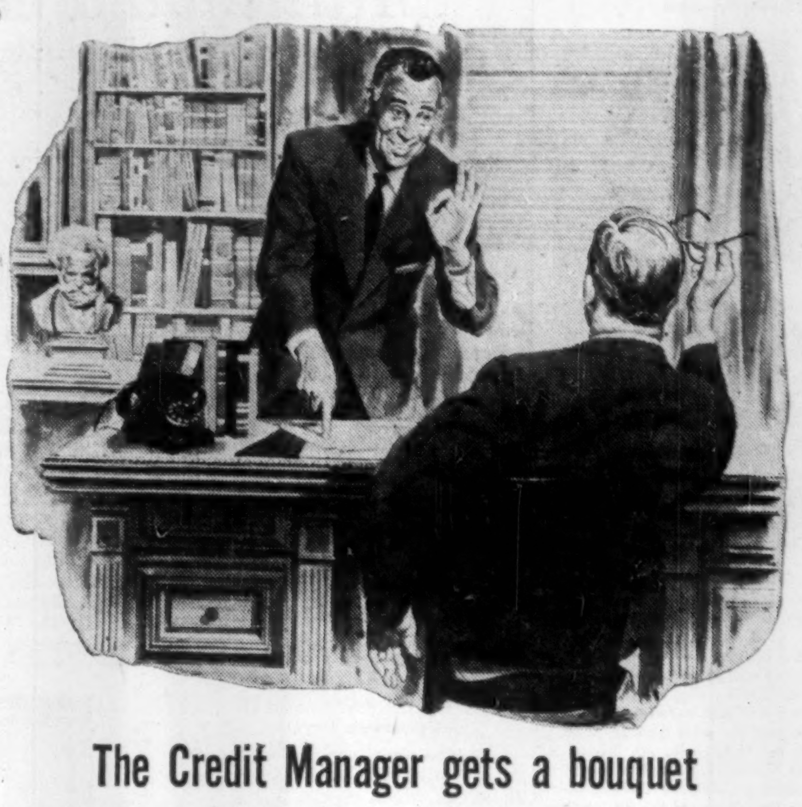

The Credit Manager gets a bouquet

"Bill, I'll only take a minute!" The Sales Manager sounded even more urgent than usual.

"Sure thing, Jack, come in and sit down." The Treasurer took off his glasses and regarded his visitor across the desk. "What's your worry this morning?" he asked.

"Worried? Who says I'm worried? I'm happy! Look——" and the Sales Manager emphasized the word with a forefinger stabbed at the desk top, "——it's that new Credit Manager of yours. Do you know how much of our sales increase we owe to him?"

The Treasurer put his glasses back on and literally stared at the other. In his utter amazement, he was incapable of answering. But there was no need. The Sales Manager swept right on.

"Only a few days ago, he came to me and told me we weren't selling Apex Corporation hard enough! Imagine!" The Sales Manager grinned fondly at his own recollection. "Your Credit Manager telling me we're not selling an account hard enough! I nearly threw him out of my office, but darned if he didn't prove it to me! And this morning——" the Sales Manager stabbed the desk top again, "——we sold Apex our biggest order!"

"Congratulations!" the Treasurer's tone of voice was mild.

"Thanks!" said the Sales Manager. He got up briskly. "Well, I just wanted you to know the best thing this company has done in years was to make the Credit Manager's job more important and bring in a really good man to fill it. Since he persuaded us to insure our accounts receivable with American Credit Indemnity, we've penetrated areas we hadn't touched before!" The Sales Manager became enthusiastic all over again. "Why, we've been able to project our Sales plan a full year ahead!" he cried. "And—since a few days ago—we've begun selling our established accounts harder than ever! Well—see you later!"

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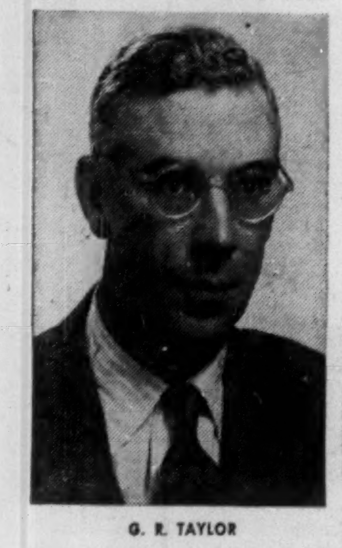

G. R. TAYLOR

Mr. T. C. Twyman, President and Chief Executive Officer, McColl-Frontenac Oil Company Limited, announces the resignation of Mr. G. R. Taylor, Executive Vice-President, Director and member of the Executive Committee, effective August 31, 1956. Mr. Taylor, who has chosen early retirement, has been associated with McColl-Frontenac for more than 26 years. Effective the same date, Mr. Taylor resigns the Directorships of Antilles Petroleum Company (Trinidad) Limited, Montreal Pipe Line Company Limited, and the Portland Pipe Line Corporation.

Manitoba Peers at Beers

Can New Liquor Commission Change Brewery Prices?

From Our Own Correspondent

WINNIPEG — The newly-appointed Manitoba Liquor Commission is about to determine what it will pay breweries for be .

Will prices be fixed lower? Or will they be changed at all?

And if lowered, as the report of the Bracken Inquiry Commission suggested, how does the Liquor Commission propose to do it? And by how much?

A further problem arises as to the nature of the application to the Public Utility Board, which must approve any price before it can come into effect.

These are the questions being closely watched by the breweries, hotels and the public.

The Liquor Commission currently pays the breweries $4.10 a carton of 24 bottles and $16.93 for a half keg.

Hotel licensees pay the Liquor Commission $4.42 for 24 bottles and $19.11 for a half keg.

Consumer Pays

The consumer pays 10c a glass, 26c a bottle, $4.50 for a case of 24 bottles which he can buy at a government liquor store, at a brewery cash-and-carry store (in Winnipeg), or have delivered by the breweries to his home (in Winnipeg and Brandon). Or he may buy a case of two dozen bottles from a hotel beer Vendor at $5. For Eastern Canada beer the price is 5c a bottle more.

Whatever the new prices may be, if there is a change, will primarily affect the breweries. T a lesser degree they may affect hotel licensees and to a still lesser degree the consumer who will likely continue to pay what he pays now.

The new Liquor Act instructs the Commission — now three members instead of one — to inquire into, investigate, and review the prices at which beer is now purchased; to make itself conversant with current costs, volume of output and profits; to negotiate with the breweries on the price to be paid whenever it considers circumstances warrant this line of action; and finally to have any negotiated price approved by the Public Utility Board.

Specific Recommendations

These were specific recommendations made by the committee of the Legislature at the recent session and were incorporated in the act.

As a preliminary the Government has appointed the accounting firm of Millar MacDonald & Co. headed by Walter J. MacDonald, past president of the Canadian Institute of Chartered Accountants, as consultants to the Liquor Commission.

The appointment is for a three-year term conditional on it surrendering its retainer as auditor for one of the breweries from whom the Commission buys beer.

On one phase of its statutory instructions — to acquaint itself with "current production costs, volume of output and profits" — composite information covering all Manitoba breweries was furnished by the breweries to the legislative committee which sat last winter.

The accounting consultants have been asked to furnish this information for each individual brewery.

There are six: **Shea's Winnipeg Brewery**, now owned by **John Labatt Ltd.; Drewrys**, now owned by **Western Canada Breweries Ltd.** which in turn is controlled by **Canadian Breweries Ltd.; Kiewels** and **Pelissier's**, both owned 60% by Shea's and 40% by Drewry's; **Grant's Brewery**, owned or controlled by interests which control Western Canada Breweries; and the **Fort Garry Brewery**, an independent.

Manitoba's Drinking

Roughly the current Manitoba beer consumption of about 10 million gallons annually is supplied 3½ million by Shea's, 3½ million by Drewry's, one million by Kiewels, 660,000 by Pelissiers, 462,000 by Grant's, and 890,000 by Fort Garry.

Having obtained the information required for each individual brewery which it is expected may be available within the next six weeks, the Commission will have to determine its policy or formula for fixing the prices it is willing to pay.

A price it might fix as fair for a small producer might be considered too much for the big producers and conversely a price considered fair for breweries with the big volume of business might be too low to permit operation of the small producer.

One possible solution if the smaller producers are to be kept in business, may be to fix a graduated price, starting, for example, with the same price to all breweries for the first 500,000 gallons, and reducing it by stages on production over this fixed volume.

On the mattter of price, the Commission will have to establish a case which will stand up in its application to the Public Utility Board.

This will be the third step in the procedure for price fixing. To do this it will require a formula or basis of permanent policy which the board will accept.

In the meantime the Manitoba Hotel Association which represents the hotel industry and is also concerned with what may happen, has indefinitely postponed its annual meeting.

Usually it is held in October. With local option votes coming a few weeks hence on new outlets for liquor sale the Association will not hold its general meeting until next spring.

Another Candidate For Metro?

From Our Own Correspondent

SAINT JOHN—Saint John City Council last week unanimously endorsed a Toronto planning expert's recommendation that the city and adjoining urban areas amalgamate into one metropolitan unit.

A resolution based on Dr. J. H. Richards' recommendation and approved by all councilors stipulated that the amalgamated areas would form an integral part of the city, with representatives elected to the Common Council on the basis of population.

It was passed as a guide to Simonds Parish ratepayers who will vote in a Sept. 29 plebiscite on whether to change the status of the parish, incorporate as a town or city, or amalgamate with the City of Saint John.

Councilors made it clear, however, that the city's proposal would apply not only to Simonds, but to Lancaster and "any section of the county that wishes to unite with Saint John."

Mayor G. B. Peat explained the city was willing to go into amalgamation with its neighbors on a straight-ahead equality basis with no strings attached.

Russia Will Buy Canadian Freezing, Fish Machinery

OTTAWA (Staff)—Russia will buy refrigeration equipment, fish-stick making equipment and some packaging machinery from Canada.

The announcement was made here this week by Russia's Fisheries Minister Alexander A. Ishkov who is half-way through his cross-country tour.

He said members of his delegation had given specifications of what they want to **John Inglis** technicians with whom they huddled at Niagara Falls over Labor Day week end.

Just what and how much of it will go to Russia wasn't revealed. Both Mr. Ishkov and Canada's Minister of Fisheries, James Sinclair, who is acting as a sort of national guide in return for Russian escorting on his trip there last year, declined to estimate quantities and costs.

Mr. Ishkov said he had been impressed with the equipment at post - Confederation plants in Newfoundland.

He said Russia wouldn't buy samples to be copied provided Canadian quantities and prices were right.

Refrigeration equipment is a "must" in Russia. Much of the catch is far from the market. In fact, the fishing grounds themselves are generally so far from shore, large fish plant-trawlers must be used and the catch processed at sea.

Fish stick machinery has been developed on this continent only in the last few years. Frozen ready-to-serve packages have only been on the market for several years.

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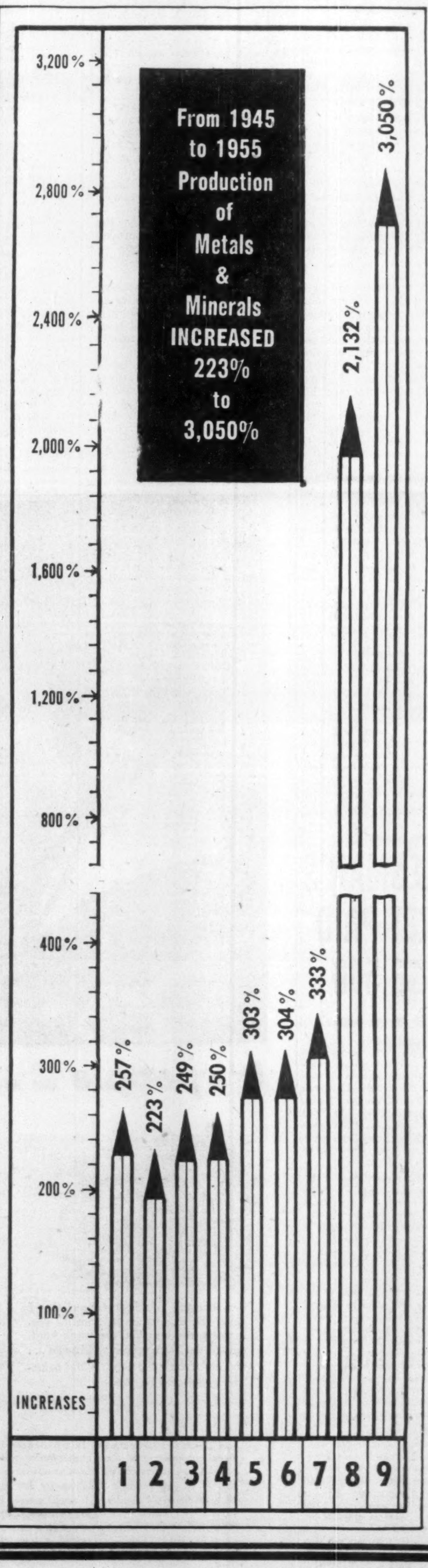
The Mine-Making Companies of Canada



OUR chart shows the increases in Canadian production of some of the more important metals and minerals from 1945 to 1955 as issued by the Dominion Bureau of Statistics:

	1945	1955	% Increase
1—All Metals and Minerals	$498,800,000	$1,778,400,000	257%
2—Lead	17,300,000	55,800,000	223%
3—Nickel	62,000,000	216,400,000	249%
4—Zinc	33,300,000	116,400,000	250%
5—Silver	6,100,000	24,600,000	303%
6—Copper	59,300,000	239,400,000	304%
7—Asbestos	22,800,000	98,700,000	333%
8—Crude Oil	13,600,000	303,600,000	2,132%
9—Iron Ore	3,600,000	113,400,000	3,050%

The discovery and development of these enormous deposits of metals and minerals and these increases in production have caused tremendous advances in the market price of these securities.

Some Mining Stocks advanced from PENNIES to DOLLARS and TENS OF DOLLARS over a period of time.

ADVANCES of 100% to 1.000% have been common and ADVANCES of 2.000% to 10.000% have been recorded.

In $ and ¢, this means that $1.000 invested in these mining securities at their early stages of development showed LONG-Term Profits of $1.000, $5.000, $10.000 and $100.000.

Mine-Making in Canada is obviously a profitable, a very profitable business.

There are now two dozen Mine-Making Companies in Canada, the most important of which are the following:

Alator	Hoyle	Placer Dev.
Anglo-Huron.	Inspiration	Rio Tinto-Canada
Cons. Howey	Mining Corp.	Ventures
Conwest	Mogul	Y.K. Bear
Frobisher	Nipissing	

These Companies have been wholly or partially responsible for the finding, financing, developing, bringing into production (or preparing to bring into production) and managing some of the largest and most successful mines in Canada:

Hudson Bay	Cassiar	Opemiska
Steep Rock	Dom. Magn.	Torbrit
Falconbridge	Sigma	Copper Rand
Kerr Addison	Lamaque	Chib. Jaculet
Giant	Normetal	Algom
United Keno	Quemont	Pronto

The shares of these mine-making companies have given investors in the last few years some fine opportunities for SHORT-Term Profits.

Here are the lows of 1954-1955, the highs of 1955-1956 and the percentage gains:

	LOW 1954-55	HIGH 1955-56	% Gain
Consolidated Howey	$ 2.30	$ 5.50	139%
Yellowknife Bear	1.14	3.00	163%
Conwest	2.95	8.00	171%
Mining Corporation	10.00	29.38	194%
Ventures	14.25	49.00	244%
Nipissing	1.40	5.25	275%
Hoyle	1.70	10.88	539%

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ANNOUNCEMENT

WILLIAM F. SHARON — G. F. CARR — E. W. WEBSTER

J. A. Scott, Chairman of the Board of Sparling Tank Limited, New Toronto, Ontario, has announced new elections to the Board of Directors and new appointments of company officers. William F. Sharon, B.Sc., P. Eng., Toronto, formerly Vice-President and General Manager, has been appointed President and elected a Member of the Board of Directors. G. F. Carr, Toronto, formerly Operations Manager, has been appointed Vice-President, and Assistant General Manager. E. W. Webster, B.Comm., C.A., Toronto, is elected a Director, appointed Assistant Secretary Treasurer and continues as Comptroller. Mr. J. A. Scott, Mr. E. Connelly and Mr. E. W. Costello, all of Calgary continue as Directors.

INLAND CEMENT CO. has received payment for an additional 500 participating preferred shares at $10 each, comprising part of agreement with **Kemet Ltd.** Now 617,500 participating preferred shares outstanding.

SILVERWOOD DAIRIES LTD. during July issued 4,100 Class A shares upon conversion of 5¼% convertible sinking fund debentures, and 430 A shares under option to employees. Now 606,502 A shares outstanding.

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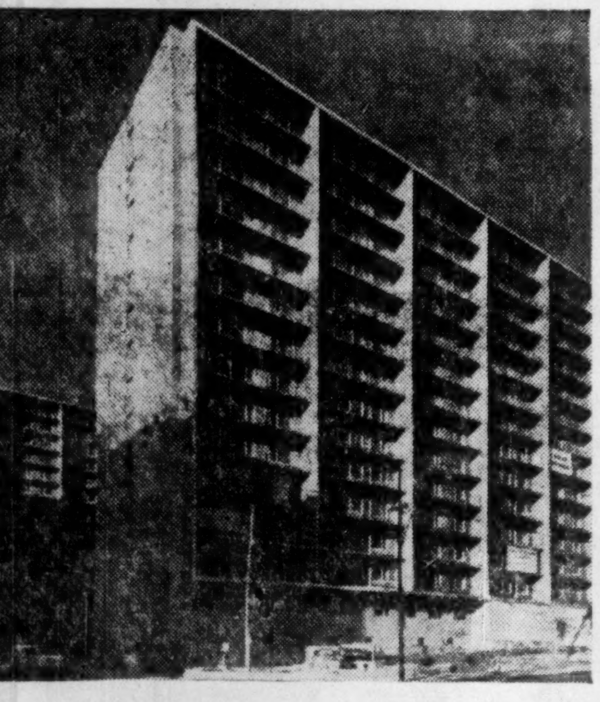

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ABOUT YOUR TAXES — By VINCENT EGAN

Sued For Lost Profits, Legal Costs Deductible

In a precedent-setting case, the Income Tax Appeal Board has ruled that a taxpayer may deduct legal expenses incurred in bringing an unsuccessful suit for damages to recover lost income.

The question of deductibility of such costs has rarely arisen before tribunals hearing income tax matters, commented Appeal Board member R. S. W. Fordham in upholding the appeal. Income tax cases in which the appellant was the defendant in court, or in which the suit concerned a capital asset, are much more numerous.

The successful appellant is an unidentified logging and sawmill company in a western province. It had placed an order with a U. S. firm in June, 1950, for a used planer to be delivered the following month.

Four days later the logging company's planer mill burned down and the planer then in use was damaged. The company then urged the U. S. firm to speed delivery of the planer it had ordered. Instead, delivery of the planer was delayed until September — two months later than originally promised.

Lost Income

The logging company sued the U. S. firm in its home state for lost profit, both on lumber produced and not produced, and for additional cost of construction.

Again it was unlucky. Instead of winning the $80,164 it sought, it had to pay $5,643 in litigation expenses when it lost. Making the best of things, it deducted this amount as an expense from its 1950 earnings. The final blow came when the Department of National Revenue disallowed the deduction.

The position taken by the taxmen, Mr. Fordham said, appeared to be that the planer was a capital asset. The appeal board member rejected this contention, noting that a planer is a machine-tool which is replaced from time to time in the normal process of operating a sawmill.

If the logging company had succeeded in its legal action, Mr. Fordham felt, most if not all of the money it recovered would have been treated as taxable income. Therefore, the litigation costs should be treated as expenses incurred to earn income, or in the hope of doing so.

"It makes no difference that the action proved abortive," he said.

Company's Car

Another taxpayer, this one an individual in Ontario, was partly successful in his appeal against an addition of $300 to his income in 1952 and 1953. The tax assessors had ruled that that was the value he derived from his use of "a large automobile" in 1952 and "a still more expensive car" in 1953, which were owned by a company of which the taxpayer was president and two-thirds owner.

This company, and another managed by the appellant, each paid one half of the operating costs of the cars. The companies make mining equipment.

The tax assessors said that the $300 added to the taxpayer's assessed income represented 25% of the depreciation attributed to the cars, but did not include any operating costs. Counsel for the Department of National Revenue described $300 as a "very modest sum for the use of an automobile valued at more than $5,000."

In his decision, Cecil L. Snyder, assistant chairman of the Appeal Board, said that in view of the limited personal use of the cars as shown by the evidence, 10% of the depreciation, or about $150, should be assigned to the taxpayer.

The assistant chairman added $35 a year as the cost of gas and oil used in 1,250 miles of annual personal driving, $10 "for washing an automobile in this price class in connection with pleasure driving," and $10 as one tenth of probable insurance expense. He directed that the total, $205, be added to the taxpayer's income assessment, rather than the $300 originally added.

No Income Earned

Assistant Chairman Snyder dismissed the appeal of an Alberta farmer against a tax collector's ruling on "averaging." The farmer, whose income was derived from farming, rentals, the estate of his late parents in Belfast, and bond and bank interest, incurred a loss on his farming operations in 1953. Other sources brought his income for the year up to $489, on which no tax was payable.

He elected to average his income for the five years 1949-53, and claimed a refund of $429 tax paid in previous years. This was rejected by National Revenue on the ground that his chief source of income was not farming.

Mr. Snyder said that no appeal could be entertained in respect of a year for which no tax was payable, and it was therefore impossible to dispose of the appeal by finding that farming was or was not the appellant's chief source of income in 1949-53.

Another appeal dismissed by Mr. Snyder was that of a grain merchant, who had objected to the National Revenue Department's action in adding to his 1950 and 1951 income certain profits he had made in grain option trading. At the same time, the taxmen had deducted from his 1952 and 1953 assessments the losses he had incurred in grain option trading in those years.

The Board found that the profits in these transactions "resulted from a business carried on by this taxpayer," and dismissed his contention that they were untaxable capital gains.

CNR '56 Net Increases 31%

MONTREAL (Staff) — Reflecting the interim increase in freight rates authorized by the Board of Transport Commissioners recently, operating revenues of Canadian National Railways for July at $67,797,000 were up $9,411,000 or 16.1% over revenues of $58,386,000 in the corresponding period last year.

Expenses, including rents and taxes, were also higher at $61,290,000 vs. $53,913,000, with the result that net operating revenues for the month at $6,507,000 were up only $2,034,000 over July, 1955.

The CNR's net income for the seven months of this year at $27.2 million is $6.5 million or 31.6% higher than in the corresponding period last year.

Here's the summary of the CNR's position:

	July 1956 $	1955 $	Increase $
Oper. revs.	67,797,000	58,386,000	9,411,000
Exps., taxes & rents.	61,290,000	53,913,000	7,377,000
Net op. inc.	6,507,000	4,473,000	2,034,000
Seven Mos. Ended July 31			
Op. revs.	442,822,000	386,228,000	56,594,000
Exps., taxes & rents	415,620,000	365,554,000	50,066,000
Net op. inc.	27,202,000	20,674,000	6,528,000

ANNOUNCEMENT

PHILCO APPOINTMENT

R. M. DALTON

Mr. L. B. Kiely, General Sales Manager, Philco Corporation of Canada Limited, announces the appointment of Mr. R. M. Dalton as Product Manager, Appliances. This appointment is effective immediately. Mr. Dalton was previously Territory Manager, Central Division of the Company. He has a broad experience in the Appliance and Electronic field in Canada. Market development and merchandising plans for Philco refrigeration equipment, automatic laundry equipment, air-conditioning, and electric ranges will constitute Mr. Dalton's new responsibilities.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Merchandising

LOBLAW COMPANIES LTD., Toronto, consolidated net profit for the period Jan. 18, 1956-June 2, 1956, was $1,293,094.

Company was incorporated in January, 1956, to acquire initially the shares of **Loblaw Groceterias Co.** It has broad charter powers to acquire shares or assets of other companies.

CONSOL. INCOME ACCOUNT

Period:	Jan. 18 to June 2 1956
Operating profit	$8,284,871
Add: Invest. inc.	832,883
Misc. income	130,967
Net income	9,248,721
Less: Deprec.	2,926,844
Debt. int.	1,097,526
Other int.	4,349
Inc. tax res.	3,782,883
Minority int.	144,025
Net profit	1,293,094
Less: Pref. divds.	249,901
Class A divds.	16,660
Class B divds.	195,019
Surplus for year	831,514
Times Debenture Interest Earned:*	
Before deprec.	8.42
After deprec.	5.76
*After other interest.	
Earnings per Share and Dividend Record:	
Pref.	$3.04
Paid	0.60
Class A	0.49
Paid	0.10
Class B	0.49
Paid	0.10

CONSOLIDATED BALANCE SHEET

As at:	June 2 1956
Cash	$5,124,280
Accts., etc., rec.	1,152,650
Inventories	16,350,602
Total curr. assets	22,627,532
Mktable. Secur. at Cost:†	
Loblaw Inc.	7,774,972
National Tea Co.	34,447,302
Misc. assets	1,566,635
Loblaw Leased Prop. pf. shs. cost	4,322,500
Fixed assets*	35,654,861
Total assets	106,393,802
Accts. & taxes pay.	17,484,763
Sinking fund	1,300,000
Total curr. liab.	18,784,763
Real estate res.	3,098,109
Mortgages	179,470
Funded debt	26,420,000
Minority int.	21,515,888
Capital stock	35,564,058
Earned surplus	831,514
*After depr. of	14,811,648
†Market value	38,611,093
Working capital	3,842,769

LOBLAW GROCETERIAS LTD., Toronto, consolidated net profit for the year ended June 2, 1956 was $5,668,088, 13.3% higher than net profit of $5,004,089 for the year ended May 28, 1955.

CONSOL. INCOME ACCOUNT

Years Ended:	June 2 1956 $	May 28 1955 $
Gross sales	$255,736,868	229,245,169
Net earnings	13,479,690	11,976,986
Less: Deprec.	2,926,844	2,527,296
Debent. int.	1,097,526	828,252
Oth. int.	4,349	2,825
Inc. tax res.	3,782,883	3,614,524
Net profit	5,668,088	5,004,089
Less divds.: Pref.	810,792	667,584
Common	831,071	762,450
Surplus for year	4,026,225	3,574,055
Times Debenture Interest Earned:		
Before deprec.	12.28	....
After deprec.	9.61	....
*After other interest.		
Earnings per Share and Dividend Record:		
1st Pref.	$8.52	....
Paid	0.12½	....
2nd Pref. & com.	4.90	....
Paid	1.63½	....
Cl. A & B	....	$5.25
Paid	....	1.50

CONDENSED BALANCE SHEET

As at:	June 2 1956	May 28 1955
Cash & mkt. secs.	$5,123,788	$196,514
Accts., etc., rec.	1,189,450	3,035,992
Inventories	16,350,602	14,045,396
Total curr. assets	22,663,840	17,277,902
Misc. assets	1,320,354	598,491
Inv. in subsid.	46,544,774	8,894,972
Fixed assets*	35,654,861	30,795,331
Total assets	106,183,829	57,566,696
Divd. pay.	......	357,508
Accts. pay.	15,255,260	8,385,551
Sinking fund	1,300,000	900,000
Inc. tax res.	2,020,022	1,938,400
Total curr. liab.	18,575,282	11,581,459
Mtges. payable	179,470	......
Real estate res.	3,098,109	2,690,787
Funded debt	26,420,000	15,800,000
Contingent res.	......	400,000
Capital stock	27,129,422	7,179,422
Contrib. surp.*	1,695,750	......
Surplus†	29,085,796	19,915,028
*After depr. of	14,811,648	12,576,072

*Premium on First Pref. share.

†After adding $6,123,571 in 1956, $1,024,021 in 1955 and $79,604 in 1954 profit on sale of land and bldgs., $400,000 in 1956 trans. from res. for contingencies; and deducting $538,289 in 1956, $896,719 in 1955 and $45,590 in 1954 real estate carrying charge reserve, also in 1956 $138,354 expenses re sale of debentures and $702,385 consol. goodwill written off.

Working capital	4,088,558	5,696,443

Holidays Curtail Cotton Openings

MONTREAL (Staff) — Reflecting the annual shut-down of mills for holiday schedules, activity in the Canadian cotton textile industry during July — as measured by the opening of bales of raw cotton — was sharply down with only 20,033 opened during the month. In July, 1955, only 20,021 bales were opened.

Records dating back to 1937 show that on only four occasions have monthly bale openings fallen below the 21,000-bale level.

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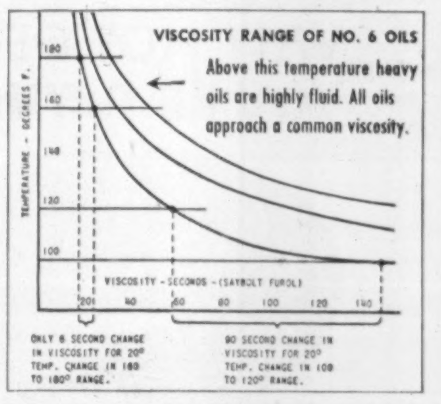
for economical heavy oils

Why PETRO is known for DEPENDABILITY

Petro engineers are not gadget minded. They like oil burners that are sturdy and steady because that is what users like, with no hairline adjustments required for good operating efficiency.

Take oil handling, for instance. Viscosity of heavy oil isn't nearly the bugaboo it's supposed to be. Everyone knows that heavy oils can be as sticky as January molasses, or as thin as hot syrup. But that is only half the story. The other half is that at operating temperature viscosity is a negligible factor. From 160° on up it changes hardly at all. (See chart.)

So the solution is simple. It's easy to keep the oil above the critical temperature, and not expensive either. The Petro burner has a simple valve that will not pass the oil to the nozzle before it reaches a predetermined temperature. If the oil is below operating temperature it is recirculated through the heater. On a cold start this requires about seven minutes. On restarts there is practically no time lag.



Proper heating of the oil has these advantages

1. Oil can be *accurately* metered; **2.** Oil is subject to finer atomization. (It separates into much smaller particles for better aeration and cleaner burning); **3.** Warm oil ignites quickly and easily; **4.** Petro *never* has a slug of cold oil in the feed line to the burner, which is the main cause of smoky starts.

From all of this you would expect low fuel and maintenance costs—and on this point thousands of Petro owners will bear us out.

PETRO will see you through—you can bank on it

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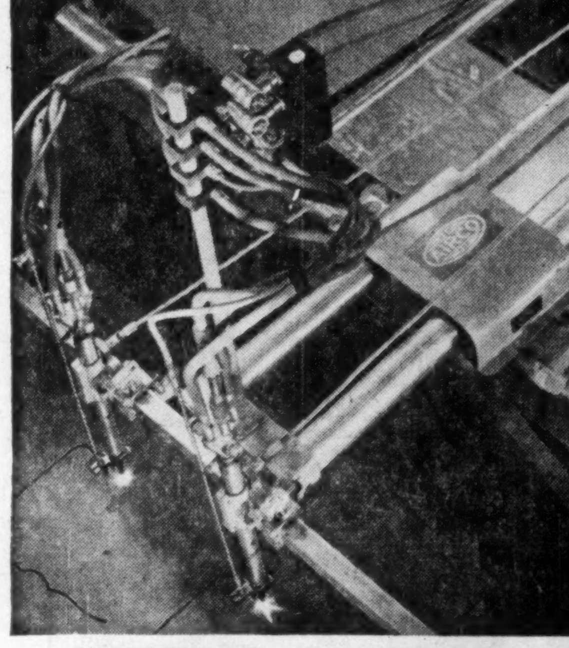
A modern, highly efficient oxy-acetylene flame shape-cutting machine, the Airco No. 48 Duograph. It has four-torch capacity and three different types of tracers, including a fully automatic electronic tracer which uses low cost paper cut-out or pen-and-ink drawing templates.

CUTTING COSTS WITH ARC AND FLAME

Industrial miracles at 6000° F



Large-diameter stainless steel pipe being Argowelded (inert gas shielded arc welding). Part of service piping for huge chemical plant. 350,000 ft. of such piping was Argowelded to ensure perfect and durable joints.

Two of the most effective cost-reducing agents in modern industry are the oxy-acetylene flame and electric arc — *6000 degrees of intense controlled heat* for a myriad of tasks.

Several extremely useful industrial processes which save time and money to help turn out better products have been developed from these two sources of heat.

New applications of such processes constantly are being discovered by forward-looking companies — often with the co-operation of Canadian Liquid Air technical staffs. The newer processes, such as Argowelding and Aircomatic welding, are amazingly efficient — while older processes like flame shape-cutting have been greatly improved and streamlined to keep step with industrial trends.

A review of *your* plant operations might reveal new ways to cut costs with arc and flame. Liquid Air will be glad to help. You can reach us anywhere in Canada — we're coast to coast.

As Canada's largest producer of industrial and medical gases, and a supplier of L.A. & Airco welding and cutting equipment, Miller A.C. and D.C. arc welders, L.A., Arcaloy and Amsco electrodes, gas rods and supplies, backed by extensive technical experience, we provide a complete service to industry everywhere.

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- Airco Flame Shape-Cutting Machines
- Gas Welding Rods and Accessories
- Miller A. C. and D. C. Arc Welders
- Electrodes and Accessories
- Industrial Gases — Oxygen, Liquid Oxygen, Acetylene, Nitrogen, Liquid Nitrogen, Argon.

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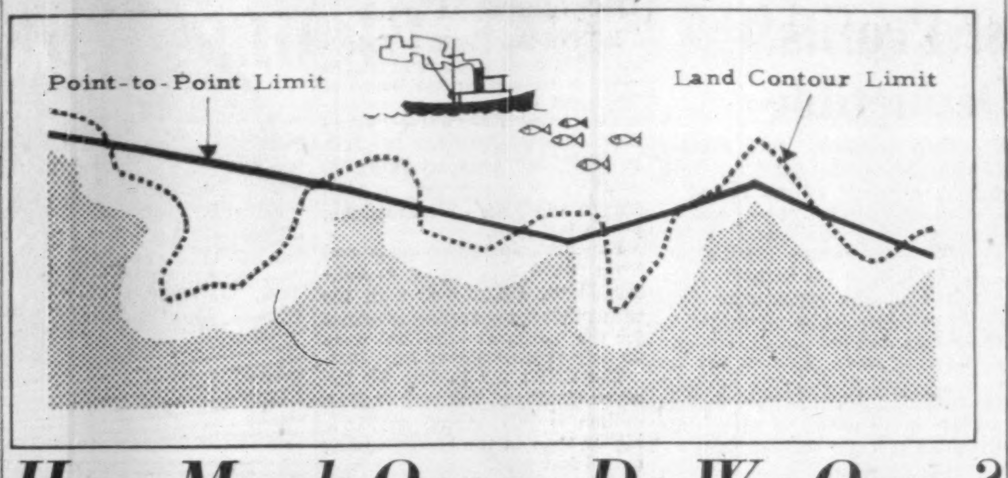
Which Will Canada Get?



How Much Ocean Do We Own? 'Big Two' Fight Our Claim

OTTAWA (Staff)—Canada will find itself in the unusual position of opposing both the U. S. and the U.K. when the United Nations discusses the question of territorial waters this fall.

And American opposition may be bitter.

When Canada's 12-mile stand became known last month, the Richmond (Virginia) Times-Despatch compared Prime Minister St. Laurent to President Nasser.

The basic question: How many miles offshore should a nation control the sea?

Until about 1930, the general answer would have been three miles. But a world conference couldn't agree. And since then, opinions have widened — from three to 200 miles.

This whole question is important to Canada because it affects our fishing industry.

It is important to the U. S. because American fishermen fish in Canadian waters and her oilmen find wealth in the continental shelf.

British Shipping

It is important to the U. K. because its fishermen also fish in Canadian waters and because a large territorial limit could interfere with her world-wide shipping.

All countries have selfish reasons and are interested in national security.

Our present position:

- We inherited the British three-mile position.
- We have added to the three-mile general limit an additional nine-mile customs area. Inside this 12-mile limit Canada Customs can board ships and, if necessary, confiscate ships and cargo. In practice, however, this seldom happens any more.
- We have treaties with the U. S. and France which allow their fishermen to fish off our East Coast. These cannot be changed or done away with without their consent.
- We recognize the "historic rights" of others, including British.

Ordered Trawlers Out

Some time ago we ordered our own modern trawler fishermen to stay 12 miles offshore — to preserve inshore fishing for small boats. But this order can't be applied to foreigners because of the treaties and ancient rights.

There are about 10 countries which fish the Grand Bank, for instance. They've been doing so for centuries.

Now, Canadian fishermen are furious.

At least one U. S. trawler, not content with fishing up to its legal limit off the Canadian coast, actually radioed a complaint to Canadian authorities that a Canadian trawler had come inside the for-Canadians-only 12-mile "keep out" zone.

We have no similar treaties for West Coast fishing, but recognize American historic rights to fish, for instance, in Hecate Strait, between the Queen Charlotte Islands and the B.C. mainland.

Canadian West Coast fishermen would like an expanded limit to keep Americans out.

What Canada Claims

Here's what Canada will say at the UN:

— We want a 12-mile limit. Prime Minister St. Laurent said this for the first time at the tail end of Parliament this summer.

— We want nothing extra for customs. This is now considered to be unnecessary. There's no smuggling, and nothing like prohibition even hull-down on the horizon.

— We want the line measured according to the "baseline theory."

— We will go along with the U. S.'s continental shelf idea.

The baseline theory came out in a 40-year dispute between the U. K. and Norway over Norwegian territorial water limits. It was settled by the International Court at The Hague in 1950.

The U. K. had conceded Norway's right to its fjords and sunds (many of which were wider at the mouth than the usually recognized three-mile limit), its rights to a four-mile limit (older than the usually recognized three-mile limit), but objected to the baseline theory of measuring the limit by lines drawn from headland to headland.

U. K. Contentions

In other words, the U. K. contended that the line should follow exactly the indentations of the coast.

Canada supports the baseline theory because (a) it adds a little to territorial waters, but more because (b) it would make patrolling so much easier.

The International Court decided in favor of Norway. It's known that the U.N.'s International Law Commission which will hear the territorial waters question also favors measurement from baselines.

The continental shelf plan was announced by President Truman in 1945. There were two parts:

1. **The U. S. declared** it controlled the subsoil of land around the U. S. not under more than 100 fathoms of water. This by design covered most of the so-called continental shelf.

It was the result of Texas and Louisiana state pressure for protection of off-shore oil beds. Before World War II, both states had passed doubtful laws covering up to 27 miles offshore.

2. **The U. S. declared it** would control conservation of the sea above. This was to protect fishing for all.

But the two declarations announced the same day — unfortunately, world opinion has decided now — were misunderstood by some South American countries. It was thought that the U. S. had appropriated for itself territorial water limits to the edge of the continental shelf.

Shortly afterwards, Chile, Peru and Ecuador, who have no continental shelf because the Andes dip sharply into the Pacific Ocean, announced an arbitrary 200-mile limit for their territorial waters.

Honduras and El Salvador also have adopted the 200-mile limit. Argentina has done likewise and also claimed control of the air above.

No Agreement?

It is thought here, however, that the UN won't be able to reach a decision.

Best bet: Another committee to look into the possibility of agreement on a six-mile limit, such as is declared by Spain, Portugal, Mexico and Middle East oil countries.

This would leave the situation as is; and Canadian fishermen still angry.

Will Canada unilaterally tell the U. S., France, the U. K. and others that we're changing our three-mile limit to 12 miles? Will Canada then use armed boats to enforce the declaration?

The answer to both, as Prime Minister St. Laurent has intimated, is "no."

Replying to Opposition questioning about why Canada was merely proposing the 12-mile limit instead of announcing it, he said: "Because of the number of divisions we have in our armed forces. We do not want to start a war."

A moment later, he denied, however, that Canada would continue to be "mealy-mouthed" when dealing with other nations.

Opinion here, nevertheless, is that Canada intends at present to do nothing. And Americans will continue to fish in Canadian waters according to treaties Canada has agreed to.

But the special interdepartmental government committee which has studied the question for several years and has advised the prime minister, is known to be looking for a way out.

It would like to know what can be traded to the U. S. in exchange for U. S. agreement on a 12-mile limit.

Agreement on territorial waters has never really been reached. Disagreement goes back to the Roman Empire's "mare nostrum" days of claiming the Mediterranean Sea.

By 1700, however, the idea of freedom of the seas had come generally to prevail and it was then just a question of how large a strip of coastal water should come under national jurisdiction.

In 1930, an international conference to decide on a definite limit couldn't agree. A majority of countries wanted a three-mile general limit with 12 miles for customs, but the U.K. objected because it felt some countries might use the customs limit as a pretext for interfering with U. K. shipping.

It is generally felt now that the U. K. should have agreed, thus made a two-thirds majority possible, and a territorial limit a reality.

Between 1934-38, Romania, Greece, Persia, Bulgaria, and Mexico declared six-mile limits.

In 1935, the U. S added a 12-mile customs limit and a 50-mile "jurisdiction." This lapsed with the end of prohibition.

In 1950, Russia adopted its 12-mile limit in the Baltic Sea over Danish-Swedish protests.

In 1953, the UN's International Law Commission suggested national jurisdiction should include subsoil and seabed not under more than 200 metres of water.

It also recommended a conservation plan. Consideration of the plan was put off until the whole question of territorial waters could be gone into.

Drawback of the conservation plan: It would occasionally entail compulsory arbitration to which Soviet-bloc and Latin American countries would probably object.

The U. S. View

Special Correspondence

WASHINGTON — "We've always claimed three miles, and that's enough," one U. S. official says bluntly.

Prime Minister St. Laurent has promised that traditional American fishing rights will be respected despite an extension to twelve miles of the territorial waters. This, however, has not satisfied Washington.

The Washington Post and Times Herald commented editorially:

"Any such revision could hamper American shipping and fishing off both the Atlantic and Pacific shores of Canada . . .

"Now the Canadians base their announcement on a Hague court finding in support of a Norwegian assertion extending the domestic zone for fisheries. This may seem to the St. Laurent government to be excellent grounds, and to its credit Canada has refrained from any unilateral step.

Canada Should Wait

"But surely the thing to do is wait until international law on the subject is thrashed out in the United Nations.

"It ought to be possible to stick to the three mile limit as territorial waters while supplementing it with particular conventions recognizing domestic interests of a non-territorial nature outside the three mile limit."

Earlier in its editorial, the Washington Post commented on the dispute between Canada and U. S. on this point saying: "Of late years, alas, the disputes between our two countries have been growing."

Cold Reception

The U. S. is cool, too, to the suggestion that the mileage of territorial waters be measured from the edge of land jutting farthest out to sea, instead of the mileage measured straight out from the coast's undulations.

Under the Canadian suggestion more water would be covered under the territorial limit. Again on this point, Washington thinks it might infringe on the principle of the freedom of the seas.

The Canadian position, however, does not make the U. S. State Department nearly as unhappy as does the position taken by Peru. That country claims a territorial limit of 200 miles out to sea.

ANNOUNCEMENT

CARBIDE ANNOUNCES DEVELOPMENT APPOINTMENTS

R. S. HUGHES — G. L. BATA — DR. S. A. V. DEANS

Mr. H. L. Reichart, Jr., Vice-President, Carbide Chemicals Company, Division of Union Carbide Canada Limited, announces the appointments of R. S. Hughes, B.Sc. (Chem. Eng.), as Technical Director, S. A. V. Deans, B.A.Sc., Ph.D., as Associate Director of Development — Chemicals, and G. L. Bata, B.Sc., Associate Director of Development — Resins.

Dr. Deans and Mr. Bata will be in charge of the Product and Process Development and Customer Service Laboratories for Chemicals and Resins respectively. They will be located at Carbide's Montreal Plant and will report to Mr. Hughes.

ANNOUNCEMENT

THOMSON NEWSPAPERS APPOINT NEW OFFICERS

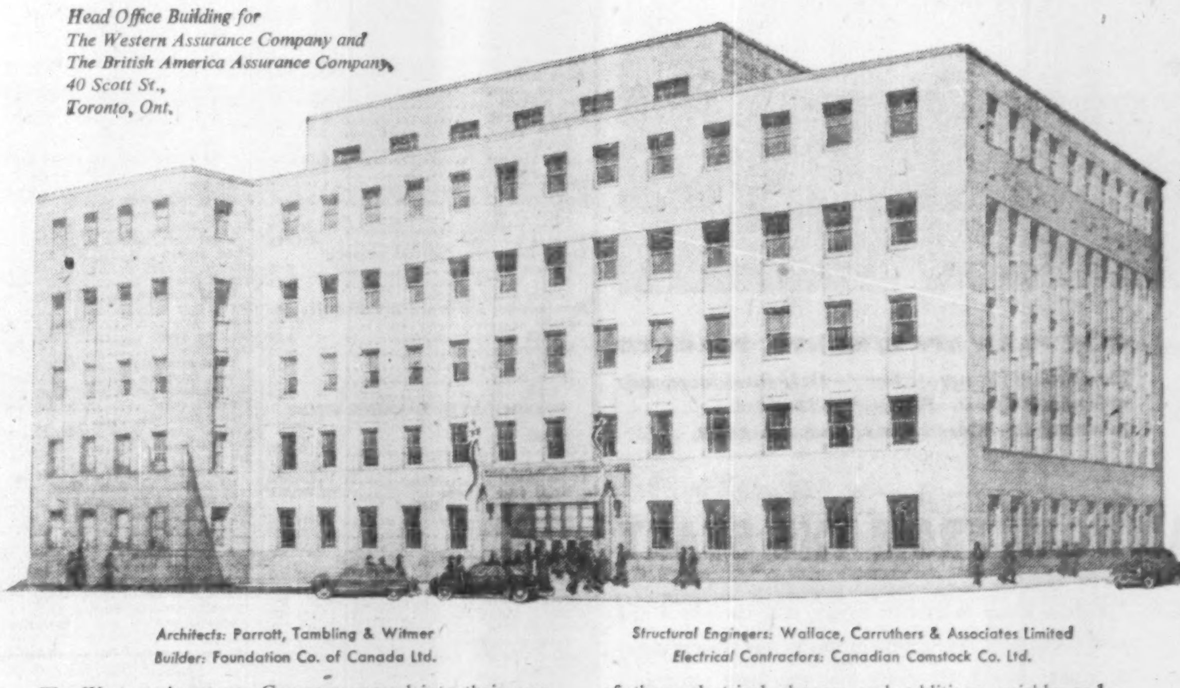
K. R. THOMSON — ST. CLAIR McCABE — S. F. CHAPMAN, C.A. — J. S. D. TORY, O.B.E., Q.C.

K. R. Thomson has been elected President of The Thomson Company Limited, publishers of Thomson Newspapers. St. Clair McCabe, formerly General Manager, was named Executive Vice-President and General Manager, and S. F. Chapman, C.A., formerly Secretary-Treasurer, was named Vice-President and Secretary-Treasurer. J. S. D. Tory, O.B.E., Q.C., was elected a Director. Roy H. Thomson is Chairman of the Board. Mr. K. R. Thomson was formerly Executive Vice-President of The Thomson Company Limited, and Mr. Tory is a member of the firm of Tory, Miller, Thomson, Hicks, Arnold & Sedgewick, Barristers and Solicitors.

Thomson newspapers are: Chatham Daily News; Galt Evening Reporter; Guelph Daily Mercury; Kirkland Lake Northern News; Orillia Daily Packet & Times; Oshawa Times-Gazette; Port Arthur News Chronicle; Sarnia Observer; Sudbury Daily Star; Timmins Daily Press; Welland Tribune; Woodstock Sentinel-Review; Nanaimo Free Press; Vancouver Herald; Quebec Chronicle-Telegraph; Moose Jaw Times Herald; Prince Albert Daily Herald; Charlottetown Guardian; Brampton Conservator; Oakville-Trafalgar Journal; Canada Review, London, England; and are associated with The Scotsman, The Weekly Scotsman, The Evening Dispatch, Edinburgh, Scotland; and St. Petersburg Independent, Florida, and four Florida Weekly Newspapers.

Here's how
The Western Assurance Company
makes use of
H-M Conduflor*
to keep up with business growth

Head Office Building for The Western Assurance Company and The British America Assurance Company, 40 Scott St., Toronto, Ont.



Architects: Parrott, Tambling & Witmer
Builder: Foundation Co. of Canada Ltd.
Structural Engineers: Wallace, Carruthers & Associates Limited
Electrical Contractors: Canadian Comstock Co. Ltd.

The Western Assurance Company moved into their new Toronto headquarters four years ago. Since then, they have doubled their use of electrically operated equipment to streamline the handling of a growing volume of business. In that same period, they have changed some 100 electrical outlets and have added 68 new outlets—requiring both telephone and high tension current supply!

The Western Assurance Company were able to make all of these electrical changes and additions quickly and economically—because they had the foresight to build with H.M. Conduflor electrical wiring system combined with cellular, pre-cast concrete floor slabs. This system can provide an electrical outlet for any 8 inches of floor and ceiling! Also, using Conduflor, electrical outlets, ceiling fixtures and partitions can be quickly changed as often as needed—without expensive contract work.

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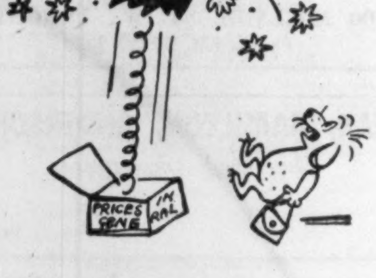
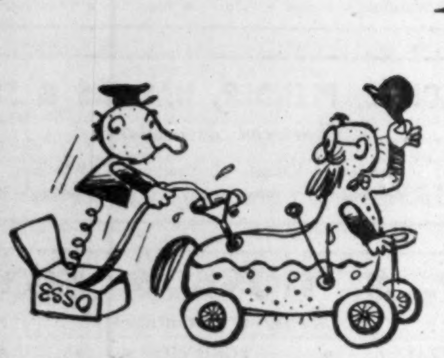
Look how gasoline prices have stayed down

In these days of high and rising prices, what's happened to the price of gasoline?

Let's compare wholesale gasoline prices with the government's general wholesale price index.



Since 1935-1939, prices in general have risen 120%.



In the same period, gasoline has gone up only 38%.

Gasoline prices have gone up less than one-third as much as wholesale prices in general.

ESSO

IMPERIAL OIL LIMITED

Let's Smooth Out Our Growth Pace

Needed: More Investment During Periods of Slow Business

Canada needs smooth quick economic acceleration.

Last week a top Canadian automaker, President William A. Wecker of **General Motors of Canada**, had some suggestions for speeding up and smoothing out the pace of national growth. Among them:

- Business should consider more capital expansion in times of other than peak activity. This would help prevent sharp economic ups and downs.
- Canada should revise its law on depreciation allowances for tax purposes. The present system is a "tax on investment."
- When extra-hard use is given capital equipment—as in double-shift factory operation—this should be reflected in the depreciation period.
- With the growing importance of roads, the nation needs "forceful national leadership" to beat serious roadbuilding problems.

Here's a digest of Wecker's address at the Canadian National Exhibition:

WILLIAM A. WECKER

By WILLIAM A. WECKER

The normal timetable for making expansion plans and constructing new facilities has been in periods of peak economic activity.

Good business suggests better business. And money is more freely available in good years.

But I would like to suggest that we turn our attention to the possibility of making investment plans even when we are in periods of more moderate growth.

It is true the risks are somewhat greater. But it is also true that at these times the economy is in greatest need of stimulation—the kind of stimulation that a long-range capital expansion program by private business can supply.

As one experienced in the art of business management, I am well aware of the problems, both practical and psychological, that such a policy entails.

I still advance this suggestion as a subject for serious study.

We have had, after all, a fair degree of success in leveling the curve of seasonal unemployment, a problem that presented much the same difficulties and much the same challenge.

We will need foresight and daring. But this nation is still too young to have seen the day when these qualities were not central to the national character.

Our own rate of capital investment in the automobile industry will have to be stepped up. And not for the single reason of higher output targets and tight labor supply; we are also concerned with carrying forward the rising earnings and job-security that have made automotive workers one of the best-rewarded groups in Canadian industry.

The record speaks plainly. Higher records of capital investment are a bedrock necessity for the years ahead.

It makes very elementary sense, then, to place our investment climate under close scrutiny.

Depreciation Reserves

There is one area in particular that demands most careful appraisal. It happens to be the single most important source of funds for new corporate investment, in this country at least. That is depreciation reserves, which between 1948 and 1954 accounted for about 38% of total new investment by corporations.

That percentage makes it clear that tax policy on write-down of fixed assets bears significantly on the willingness and ability of business to provide funds for expansion and modernization.

The declining balance method of computing allowable depreciation on fixed assets that was introduced in 1949 was designed to encourage investment. We believe it has done so.

But it is regrettably slow in its avowed purpose of allowing the taxpayer full recovery of the cost of depreciable assets. After an initial, fairly rapid reduction in the undepreciated value of the asset, its book value is reduced by diminishing amounts. Complete write-off of any single asset is impossible in theory, except by disposal of the whole group it belongs to.

Not Sound Business

Furthermore, the constant rise in cost of machinery and construction makes it impossible to set aside out of depreciation charges a reserve enough to pay for the replacement.

For many years now business has been forced to supplement depreciation reserves by drawing on earnings in order to maintain and modernize its plants and equipment.

During the seven years from 1948 to 1954, about 34% of new corporate investment funds are estimated to have come from earnings. This amounts to a tax on investment and taxing investments is not likely to be considered sound business.

A more realistic approach would be a declining balance method of arriving at depreciation allowances that included the option of converting to the straight-line method. After a reasonable number of years, it might well carry annual depreciation charges beyond the point of full recovery. This system would go far toward eliminating the present tax on investment.

Consideration might also be given to the possibility of depreciating certain types of equipment on a machine-hour or usage basis, rather than on a straight-time formula.

When the useful life of an asset is materially shortened by consistent double-shift operation, the depreciation period should reflect this hard wear. Otherwise, industry is encouraged to keep worn-out or inefficient equipment at work.

Matching The Past

All this bears on the need for expansion in Canada's auto industry. It will help answer the question:

Can the automakers in the years ahead match their achievements of the past decade?

In the main, the answer depends on the growth in market potential.

In other words, how many people of car-buying age and with car-buying incomes will be added to the population? To begin with, the demographers and economists tell us that by 1965, there will be very close to 20 million Canadians.

About 6½ million of them will be in the labor force. And the expert guess about their incomes is that each of them will be earning on the average about $4,200 a year after taxes (in dollars of 1954 purchasing power).

In a market of those dimensions, we would expect to sell an average of about 500,000 passenger cars a year. The same market should absorb about 150,000 trucks and buses.

By 1965 there will be about 50% more passenger cars registered in Canada than there are now—a total of around 4½ million. Trucks and buses should number 1.6 million, more than a 60% increase over 1955.

Altogether, we are speaking of something over 6 million vehicles. Most of them will be used, directly or indirectly, to help earn their owners' living.

This is the point where an exercise in simple arithmetic signals a grave problem.

Parked bumper to bumper, the number of passenger cars we expect to see registered in Canada in 1965 would reach 13,600 miles.

Then there are 1.6 million trucks and buses to find road space for, some of them 60 ft. long.

In other words, if, at the same time, we put all the vehicles we expect to have in 1965 on the paved highway system we have now, there would be less than two car lengths between any two drivers in the country.

Crowded Off Highways

And if we continue to add paved highways at no better than our present rate, that distance between cars will increase by no more than 23 ft. The blunt truth is that we are being crowded off our inadequate road system.

This problem has implications a good deal more grave than the curtailed enjoyment of the rare citizen who drives his car purely for pleasure.

We have determined that slightly more than eight out of every ten miles of driving in this country is essential transportation. The economic consequences of over-crowded highways are obvious and far-reaching. Less obvious but even more drastic is the toll a congested highway system would exact in the event of a defense or civil-defense emergency.

The importance of research is recognized and a start has been made in this area, notably at the universities of Alberta and Toronto.

But this problem is not confined to any single region. If we are to overcome traffic congestion, logic demands action on a national scale.

I think the facts speak for themselves. There is a clear-cut need for forceful national leadership in coming to grips with our road problem.

The pattern this leadership should take, in the early stages at any rate, is plain enough. The first step is the formation of a central body to co-ordinate and broaden highway research, to provide expert counsel on planning and design, to set uniform standards.

And it would assist the provinces to integrate their own plans into a truly effective national road system.

The nucleus of such a body exists in the skilled staff and organization built to administer the Trans-Canada Highway project.

The same project provides a ready-to-hand framework for channeling federal money-aid to those provinces that need assistance on strategic road building other than the Trans-Canada Highway.

The suggestion has been advanced, and it should be taken seriously, that as certain provinces bring their share of the transCanada job to a close, the federal aid they have been getting should be continued for use on other, equally urgent, road building projects.

Demand For Cars

The inexorable growth in road use reflects in fast-rising demand for passenger cars.

In 1949 there were 202,000 new passenger cars sold in Canada. This was an extraordinary volume by prewar standards. But by 1955 Canadians bought 387,000 new cars. This year promises to reach the same level, if not surpass it.

The number of cars in use has grown at a similar pace. Reg-

(Continued on page 31)

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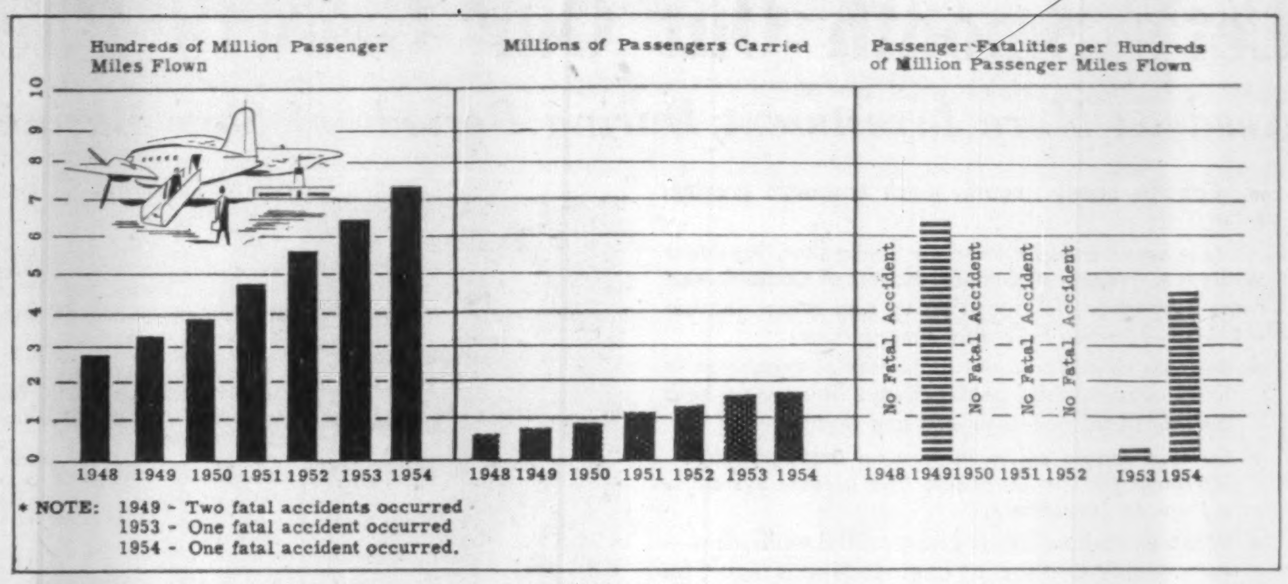

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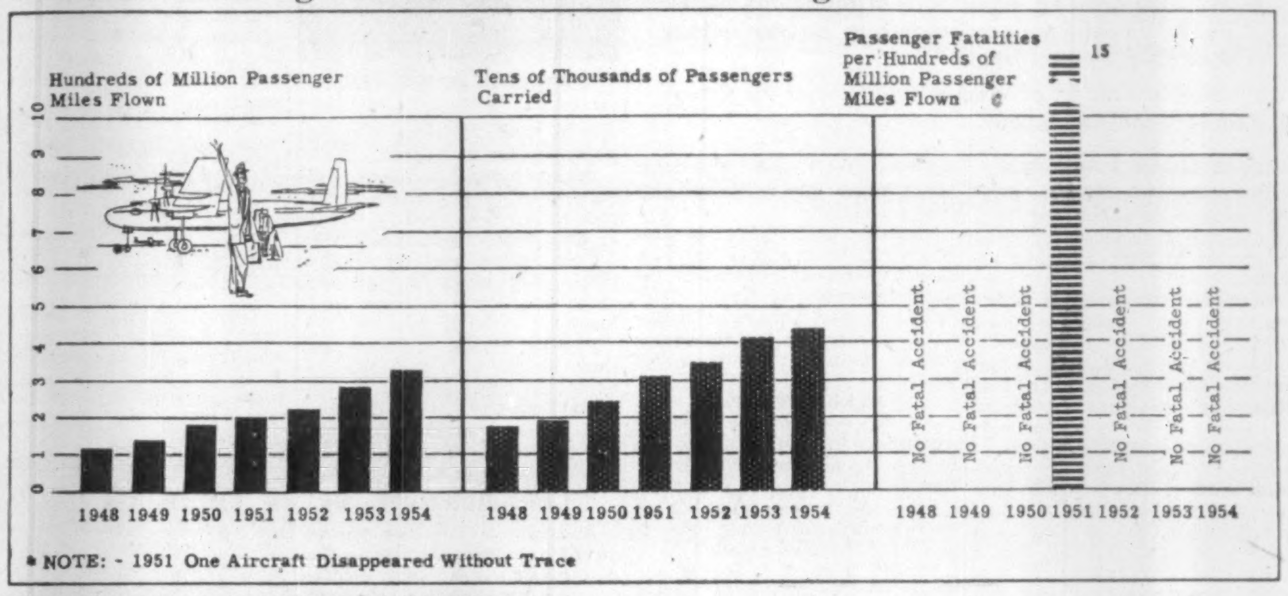

"NEAR MISS" EVERY MONTH

Our Air Roads Too Crowded, More Sky 'Traffic Cops' Needed

By JOHN P. MACLEAN

OTTAWA (Staff) — You're at the airport. Word comes your plane won't take off.

What's the matter?

Nothing. Except that because of bad weather there are 15 aircraft stacked up here over your destination, circling. Each needs about four minutes to land.

If yours took off, it would have to circle probably 30 minutes when it got there. It might just as well sit on the ground and wait.

Crazy?

No, this has already happened, will happen more and more in the future, weather or no, until the problem is solved.

The problem: air traffic control.

Since the day in March, 1939, when the first government air traffic controller elbowed **Trans-Canada Airline's** man off the roof at St. Hubert, Que., to referee landings by TCA, Canadian Colonial (now **Eastern**) and Boston & Main Airways (now **Northeastern**), air traffic has been a growing control problem.

More People Flying

Reason: more people are flying. In 1940, 110,000 passengers were carried by scheduled domestic airlines. Last year, not far off 20 times as many. There are many more aircraft now, too.

With more people flying, more control is necessary to prevent air collisions — such as the Moose Jaw tragedy of April, 1954, when an RCAF trainer and TCA airliner tangled and 37 persons were killed.

Fortunately — fortunately because there's about one "near miss" every month — it's been the only such accident in Canadian aviation history.

As traffic grows (present rate: 30% a year) the chance of air accidents grows, too.

Already (June 1) air space between 9,500 and 23,000 ft. over airlines has been restricted to aircraft flying IFR (Instrument Flight Rules, i.e. on an instrument course regardless of weather).

Already light planes have been forbidden to land at Toronto's Malton and Montreal's Dorval. And Jan. 1, all aircraft using Vancouver's airport will have to have radio.

What's the answer? More and more control backed up by more and better instruments.

Control All Air?

Airlines, for instance, would be happy with 100% control of all air space.

The veteran, 40-year-old captain complains bitterly and with reason when some 20-year-old fighter pilot blasts past his nose. (How do you keep the Tiger Spirit, the RCAF keeps asking itself, as it punishes the culprits, yet have the young hotshots obey air regulations necessary for civilian safety?)

And air controllers would welcome electronic "brains" which could take some of the life-and-death mental arithmetic off their hands. (How do you get sometimes as many as a dozen aircraft, from helicopters to turbojets, on and off the ground with only one runway?)

Said one controller to The Financial Post: "Traffic cops in intersections have it easy. They can see their traffic. And it doesn't also come at them off the rooftops."

Here are some of the plans to handle the problem:

1. More air controllers: They're now coming out of two three-month schools in Winnipeg and Toronto at the rate of almost 240 a year. Last year Department of Transport's Air Traffic Control Division numbered 457, this year it's 632 (614 are controllers and assistant controllers).

They Man Towers

They're needed to handle the 24 towers now DOT-manned, the four others expected to be manned shortly (Kenora, Ont.; Halifax's new civilian airport; Hay River and Coral Harbor in the Northwest Territories) and others across the nation in the near future.

This year their cost is $3.3 million. And salaries are low: Only five get more than $6,000 a year (about $12,000 in the U. S.).

2. Better airports: (More runways, taxi strips, high intensity lighting.) Current civil construction is running at about a $15 million-a-year clip, will increase each year in the foreseeable future. RCAF construction, classified, is believed to be going on at about the same rate.

By major cities:

Vancouver: One-mile extension to taxi strips to match new runway extension; more parking areas; another 8,000-ft. runway and taxi strips.

Edmonton: Shortly, a new $10 million airport outside the city.

Winnipeg: Completion of a 7,000-ft. concrete runway costing $1 million.

Toronto-Hamilton's Malton: $1 million to extend the present 6,000-ft. runway to 11,000 ft. A 1,000-ft. extension ($200,000) has just been added to a 6,000-footer.

Montreal's Dorval: An $8 million bill to include a new terminal building, a giant runway in the design stage.

Halifax: Some $5 million for an airport. At present the Navy's at nearby Dartmouth is used (the only one DOT doesn't air control).

Gander: About $4 million for a new terminal building, more aprons and to finish a second 8,400-ft. runway.

3. More equipment to control aircraft on and off fields and from field to field. Items:

— More instrument landing systems (ILS). These are radio systems which give off signals from in-line ground antennae which are read by the pilot and which guide him down onto the runway.

— More VHF (very high frequency) Ranges. These are radio "signposts." There are now six between Montreal and Windsor. Installation began last year, will go across to Winnipeg by next spring, eventually across the nation.

Radar Takes Over

— More GCA (Ground Controlled Approach system). It's now only at Ottawa and North Bay, is being installed in Gander. It's a system of radar read by a ground controller to "talk" a pilot onto the ground. Normally used for the last 10 miles.

— VOR (Visual Omni Range). The pilot will get a visual signal from an instrument on his instrument panel telling him where he is in relation to the transmitter.

— DME (Distance Measuring Equipment). Just what it says: equipment to tell the pilot how far he is from the transmitter.

— Four radar systems to be installed soon in Montreal, then in Toronto, Winnipeg and Vancouver. They'll "see" aircraft at up to 25,000 ft. and as far away as 50 miles in fair to good weather.

— $5 million for the world's first country-wide AASR (Airport and Airways Surveillance Radar) system. Through the worst weather each of the sets will spot light aircraft to 120 miles away, commercial airlines to 200 miles; "see" as high as 60,000 ft.

An airliner will be watched constantly by the 15 sets to be installed at Moncton, Seven Islands, Quebec, Montreal, Ottawa, Toronto, London, North Bay, Fort William, Winnipeg, Regina, Saskatoon, Edmonton, Calgary and Vancouver.

Raytheon Manufacturing Co. of Waltham, Mass., and **Raytheon Canada Ltd.** will begin delivery in 1958.

Shave Away Chances

This radar will be next to a godsend, according to air controllers.

"What it will do," one told The Financial Post, "is take away the slim chance there is right now that the pilot isn't where he tells us he is. We should be able to cut separation distances drastically."

(Right now, two aircraft, one following the other, are spaced 15 minutes apart except under special conditions. At 600 mph, this is 150 miles. See why a few jets will fill up the air?)

What's needed still is an electronic computer, some machine which will remember at what levels all the aircraft in the vicinity are at, what speed each is flying at, what course each is taking — then be able to provide the air controller instantly with the answer to the course, speed and level one more aircraft should take for safety.

Already at Idlewild International Airport at New York, the world's busiest, there are about 45 controllers needed at any one time to do the approach controlling, airport controlling and ground controlling.

Ottawa, one of Canada's busiest, usually has shifts of five or six, including a trainee or two.

As the future sky gets more filled with aircraft, the problem grows. Right now, there's an extra problem with jets.

Stacking the Jets

What does the Ottawa controller do when he has half a dozen conventional aircraft stacked up and some CF-100s swoosh near? At 8,000 ft. these jets burn four times the fuel they do at 45,000 ft., their operational altitude; so they can't circle for more than a few moments.

The answer is expected to be a separate "stack" for jets — at about 20,000 ft. where they're relatively handy to the ground, only burn their fuel at double normal rate.

Another future problem is expected to be solved with ASSR's twin, a modification of storm warning radar. The biggest U.S. bombers now have radar bulges in their noses (so does Russia's Tupolev 104), are warned of storms (yellow blotches on the screen) up to 20 miles away.

Air controllers now wonder why the principle can't be used to enable one aircraft to spot another, make impossible the June 30 Grand Canyon off-controlled-airways collision of two airliners which killed 128.

Actually, it could, but here are the drawbacks: (a) prohibitive weight — airliners have to count the half-pounds, can't think of installing 120-lb. sets; (b) position — where do you put it to cover all approaches to the aircraft? Nose? Tail? Belly?

Right now there isn't an airport on the North American continent that can handle six 100-passenger, 600 mph jetliners at once. No airport has enough waiting rooms, lunch counters, customs facilities and taxi stands, for example.

This leads air controllers to hope that more and faster traffic won't happen — in Canada, at least—overnight, means that too often your aircraft can't get off the ground because others are using the air.

By the time such traffic is here — 1961 is the target year — it's hoped science plus money will have found a safe, fast way to get you to that appointment, regardless of how many others want to go at the same time.

Safety isn't the problem. Traffic is.

How Busy Airports Compare

AIR TRAFFIC (LANDING AND TAKE-OFFS)

	1954	1955	1956 Jan.	Feb.	Mar.	Apr.	May	June
Vancouver	...	180,689	9,918	8,473	15,845	23,634	28,329	21,929
Edmonton	155,124	181,581	13,658	12,946	16,701	16,241	15,288	15,011
Winnipeg	134,964	148,430	10,746	12,808	12,705	13,334	16,737	15,251
Toronto Malton	152,281	179,815	17,049	15,576	16,803	15,040	15,570	16,400
Toronto Island	131,104	133,914	9,511	8,243	9,699	10,922	12,329	12,592
Ottawa	113,405	128,595	11,645	12,951	14,678	14,858	16,583	19,084
Montreal Dorval	143,824	220,542	12,880	12,466	12,650	15,636	21,015	21,274
Montreal Cartierville	117,773	123,692	8,750	9,646	12,519	12,418	16,021	15,385
Gander	...	29,817	...	...	...	...	...	...

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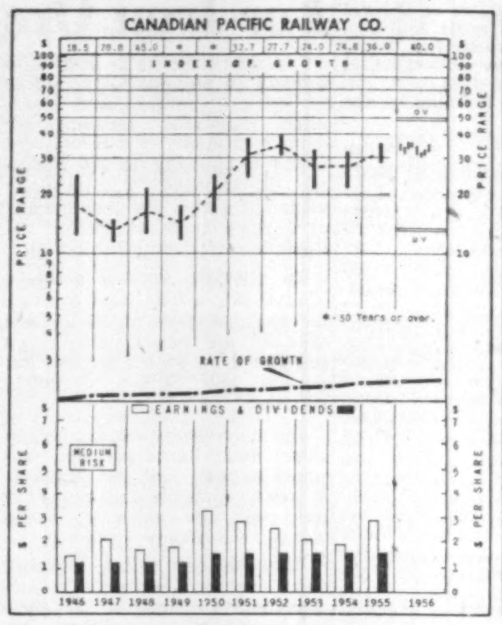
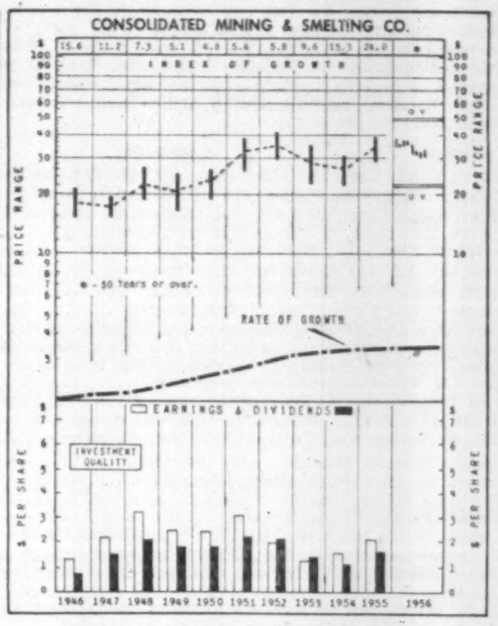
Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January 1953. Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.



CANADIAN PACIFIC RAILWAY — Occupying a basic position in the Canadian economy through its wide transportation coverage, its 51% interest in Consolidated Smelters (base metals), and its potential in large acreage holdings in Western Canada on which petroleum rights are held, Canadian Pacific appears an excellent medium for participating in the country's future economic growth.



CONSOLIDATED MINING & SMELTING—Through opening of new properties, modernizing and expanding of its smelter plant, and expansion of its fertilizer facilities, Consolidated Mining & Smelting, the world's largest low-cost lead-zinc producer, is expected to share fully in the growing demand for its products.

CPR

Canadian Pacific Railway Co., trading recently at $34, is 192% over UV level ($14) and has room for a 41% rise before reaching OV level ($48). Current price is 11.5 times 1955 earnings of $2.95 and yield, based on indicated dividend rate of $1.50 is 4.41%. So far this year, price of stock has ranged from a high of $36⅝ in March to a low of $30½ in June.

Over the next 15 years company expects to make capital expenditures totaling $1.5 billion of which $900 million will come from depreciation accruals and salvage proceeds leaving $600 million to be financed through retained earnings and other means.

This program includes $600 million for railway plant, $125 million for new diesel locomotives, $480 million for rolling stock, and $60 million for passenger equipment and work units. A $10 million addition is planned for the Royal York Hotel, Toronto, and work is scheduled to get under way this fall.

To its passenger ship line, company this spring added the Empress of Britain and is considering a new, larger liner to replace the Empress of Scotland which is due for retirement about 1960. The proposed liner would probably be of about 30,000 tonnage.

Company is currently trying out a diesel-hydraulic locomotive which transmits power from the diesel unit directly to the wheels avoiding the necessity of converting such power into electricity. As well as one German produced unit which is now being tried out, company has two diesel-hydraulic units on order in Canada.

Company's net profit in first half of this year at almost $21.6 millions or $1.44 per common share was up substantially from $17.4 million or $1.15 a share in first-half 1955. Net earnings for the first seven months of 1956 at $19,150,101 million were $4.5 million higher than $14.6 million in the corresponding period last year.

So far this year company has paid regular dividends totaling $1.50 per share, the same as in the previous year.

How To Read Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: the rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

**Background and principles behind the selection by Nestor were discussed in a special article in The Financial Post., Jan. 10, 1953. A limited number of reprints are available on request.*

C. Smelters

Consolidated Mining & Smelting trading recently at $30¼, is 38% above UV level ($22) and has room for a 58% increase before reaching OV level ($58). Current price is 14.8 times 1955 earnings of $2.04, and yield based on indicated dividend rate of $1.75 is 5.78%. So far this year the price of this stock has ranged from a high of $38 in January to a low of $30 in July.

While company's mill and mining operations are reported as operating at normal and satisfactory levels, production of chemical fertilizers — especially nitrogenous varities — is reported to be below normal due to a condition of over-supply in the market.

Company expects this condition to continue for some time. In the past few years there has been a great expansion of production facilities in the chemical fertilizer industry and the condition of over-supply is not expected to be corrected until the surplus capacity is absorbed.

Smelters' earnings for the first quarter were slightly lower than in the first quarter of 1955. By comparison, volume of sales was less due to liquidation of inventories of finished products in the early part of 1955. In addition, selling price of fertilizers was lower. Both these factors, however, were offset to some extent by the higher selling price received for metals.

In order to hold and expand the company's sales position in the fertilizer market, increased expenditures are being made on marketing and for sales promotion. A wholly owned subsidiary, Cominco Products, Inc., with offices in Spokane, Wash., has been set up to provide increased warehousing and technical services facilities.

So far this year, the company has paid 80c in regular dividends plus 95c extra, which compares with 80c plus 75c extra in 1955.

Let's Smooth Out Our Growth Pace

(Continued from page 29)

istrations climbed from 1,672,000 in 1949 to 2,929,000 last year.

This is a 75% increase in six years. It is fair to point to it as one of the unique industrial achievements of our time. Truck and bus registrations recorded a 75% increase in the same years, from 546,000 units to 956,000.

In 1949, the industry did a $589-million business at retail prices. Since 1949, the automotive industry has broken the billion-dollar barrier three times and 1956 will be the fourth.

While production and sales were breaking new high ground year by year, the product itself set new standards of comfort, styling and performance.

And here the industry was equal to another remarkable achievement. These roomier, more powerful, more efficient, and, perhaps above all, more highly accessoried automobiles were held to an even smaller price increase than the one that took place in the over-all cost-of-living.

Auto Price Held

Furthermore, the line was held on the price of automobiles while the price of almost everything that goes into a car climbed much more steeply.

From 1949 to 1955 the cost of living went up 16.4%. The price of rolling mill products — the source of most steel used in auto building — went up 30.3%. The average week-by-week wages of automobile production workers, went up 39.3%. Plate glass rose 46.8% rubber 60%, copper 81.3%. But, the price of cars (I am speaking for illustration of the composite retail price before taxes of three low-priced domestic makes) went up only 14%.

The apparent anomaly here — the price of a car rising by considerably less than the price of all its parts—is explained to a large extent by the industry's increased volume, backed up by rigorous attention to effective cost control and better manufacturing methods. A combination of more modern plant facilities, advanced tooling and new methods resulted in greater productivity.

Between 1949 and 1954 the industry's capital expenditure exceeded $200 million. In addition, the automobile parts industry added another $121 million on plant expansion and modernization. (The DBS definition of the motor vehicle parts industry does not include tire and battery manufacturers or automotive textile and glassmakers. These four divisions of the parts industry spent heavily in that time.)

Getting Ahead

Astute businessmen plan for success; they read The Financial Post because it helps them make right decisions. Yearly by mail in Canada, $6; elsewhere $7 yearly.

Company Report

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Fuels

STANDARD FUEL CO., Toronto, consolidated net profit for the year ended April 30 was $112,700, 2.6% higher than net profit of $109,855 for previous year.

Liquid fuel sales again increased and company is equipped to meet demands for all types of liquid and solid fuel, reports President J. Herbert Milnes.

Working capital is lower largely due to expenditures for new head office and delivery equipment.

Company sold its King Street building. New head office on Yonge Street is resulting in reduced operating expenses. It is also maintaining its downtown office.

CONS. INCOME ACCOUNT

Years Ended Apr. 30:	1956	1955
Net earnings	$288,444	$282,042
Less: Depr.	79,772	79,625
Tax res.	95,972	92,562
Net profit	112,700	109,855
Less: Pref. divds.	41,625	43,312
Surplus for year	71,075	66,543
Earnings per Share and Dividend Record:		
Preferred	$6.09	$5.94
Paid	2.25	2.25
Common	1.42	1.33
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Apr. 30:	1956	1955
Cash & bonds	$543,943	$480,958
Accts. rec., less res.	789,616	627,362
Inventories	54,849	166,865
Total curr. assets	1,388,408	1,275,185
Misc. asets	19,510	21,860
Fixed assets‡	782,615	662,375
Total assets	2,190,533	1,959,420
Accts., divd. pay	430,947	287,477
Taxes pay.	68,797	52,228
Total curr. liab.	499,744	339,705
Conting. res.	100,000	100,000
Capital stock	1,125,000	1,125,000
Capital surplus	24,000	24,000
Earned surplus	441,789	370,715
‡After deprec. of	762,435	703,795
Working capital	888,664	935,480

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ANNOUNCEMENT

GEORGE H. DICKSON

Following the Annual Meeting of Canada Packers Limited, held August 28th, W. F. McLean, President, announced the election of George H. Dickson to the Board of Directors and his appointment as Director of Marketing. Mr. Dickson was previously General Provisions Manager in charge of the Company's pork operations in Canada and abroad. Mr. Dickson was born at Westburn, Man., and secured his early education in Western Canada, later graduating from Ontario Agricultural College. He joined the staff of Canada Packers in 1937.

MARKET COMMENT

The informed opinion of men experienced in market analysis is given regularly in this investment feature. For profit add their viewpoint to yours. You get them in

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Manitoba Says 'No Bidding Without Tools'

From Our Own Correspondent

WINNIPEG — Contractors bidding on work in Manitoba's $27-million highway program have been warned by recently appointed Public Works Minister Ron Robertson not to take on a job unless they have men and equipment to finish it on schedule.

If they contract for more work than their facilities permit them, the department will insist they make good on their performance bond, and failing this the bonding companies will be called on to foot the bill.

Warnings to the contractors were given when bids were received recently on a final lot of jobs for 1956. Notices have also been sent to the bonding companies.

The 1956 program is behind schedule and unless there is favorable weather the backlog can't be picked up before the end of the year. That means a carryover into 1957 and it could cause complications because another big program now in course of planning for 1957 is to be announced at next winter's session of the legislature.

Part of the delay has been because of wet weather, and for this the government is willing to make allowances. But other delays it thinks are simply because contractors anxious to get the jobs have bid on more work than they can hope to finish within the time specified in their contracts.

When a job is awarded the specifications set a time limit for completion, and usually a performance bond is called for.

From now on, if the department does what it says, the only acceptable reason for a contractor not getting on with the job will be circumstances over which he has no control. Otherwise, he will be penalized.

MARKET COMMENT

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Defense Contracts

Here's a list of defense contracts for $10,000 or more awarded to Canadian firms during the last half of July by the Department of Defense Production and Defense Construction (1951) Ltd.; it totals $8,279,972. Largest contract, $1,800,000, was awarded to Sorel Industries Ltd., Sorel, Que., for howitzers. A. Pollard Construction, Victoria, received a $1,624,984 contract to build a training establishment at Esquimalt, B.C.

List excludes amendments to earlier contracts and anything on the secret list.

Contractor	Commodity	Value
Aircraft Ind., Can., St. Johns, Que.	aircraft modification kits	$ 50,413
Aircraft Wldg & Sh. Metals, Ville St. Michel, Que.	engine cont's	42,647
Atlas Radio Corp., Toronto	communication equipment	26,593
Austin Airways Ltd., Toronto	aircraft chartering	100,760
Aviation Elec. Ltd., Montreal	airframe spares	11,277
Bancroft Ind. Ltd., Montreal	aircraft spares	50,000
Bayly Eng., Ajax, Ont.	electronic equipment	25,820
Beaver Wood Fibre, Thorold, Ont.	targets	10,710
Bell Telephone, Ottawa	telephone and teletype rental	20,000
Bristol Aero Engines, Montreal	aero engines investigation	10,000
Bristol Aircraft, Winnipeg	airframe spares	175,000
B-A Oil, Toronto	petroleum products	155,160
B. C. Telephone Co., Vancouver	telephone and teletype rental	15,000
British Fire Exting., Toronto	fire-fighting equipment	30,898
Burgess Battery Co., Niagara Falls, Ont.	batteries	47,956
Canada Packers, Montreal	dairy products	19,470
Canada Packers, St. Boniface, Man.	meat	18,530
Canada Packers, Toronto	food	23,569
Canada Packers, Toronto	meat	11,848
Canadair Ltd., Montreal	aircraft electrical equipment	54,492
Canadian Aero Service Ltd., Ottawa	mapping service	13,000
Cdn. Comstock, St. Catharines, Ont.	spares for energizers	54,658
Cdn. Kodak Sales, Toronto	photographic supplies	15,000
C. N. Telegraphs, Ottawa	maintenance teletype equipment	10,000
C.P.R., Ottawa	maintenance teletype equipment	32,000
Cdn. Pratt & Whitney Aircraft; Longueuil, Que.	Aero eng. rep.	90,000
Cdn. Westinghouse, Hamilton	forced draught blower	105,600
Central Northern Airways, St. James, Man.	aircraft chartering	309,575
Chadburns (Canada) Ltd., Toronto	steam generator	15,650
Chrysler Corp. of Canada, Windsor, Ont.	trucks	55,794
Clinton Dairy, Clinton, Ont.	dairy products	18,491
Cossor (Canada) Ltd., Halifax	airborne electronic equipment	10,000
Crescent Creamery Co., Winnipeg	dairy products	17,327
Crothers Mfg., Toronto	production drawings	17,292
DeHavilland Aircraft, Toronto	airframes & components	71,000
DeHavilland Aircraft, Toronto	aircraft spares	10,000
Dorval Air Transport, Montreal	aircraft chartering	101,938
Dorval Air Transport, Dorval, Que.	aircraft chartering	101,938
Dowty Equipment, Ajax, Ont.	aircraft spares	18,304
Eastern Prov. Airways, Gander, Nfld.	aircraft chartering	103,111
Erie Resistor, Trenton, Ont.	development contract	59,000
Farmers' Ltd., Halifax	dairy products	27,533
First Co-op. Packers, Barrie, Ont.	meat	11,264
Forbes & Sloat Ltd., Fredericton, N.B.	rental const'n equipment	10,270
Four Wheel Drive Auto, Kitchener, Ont.	fire trucks	936,000
Gas Accumulator Co., Toronto	aerodrome lighting equipment	16,930
General Fireguard Corp., Windsor, Ont.	fire-fighting equipment	136,704
Godfrey Eng. Co., Lachine, Que.	aircraft equipment repair	75,000
Goodyear Tire & Rubber, Toronto	aircraft spares	11,101
J. Gradek Woodwork Enrg., Grande Fresniere, Que.	am'n boxes	136,724
Halifax Shipyards, Halifax	ship docking and repairs	45,000
Halifax Shipyards, Halifax	floating derrick refitting	40,000
Hampton Mfg., Montreal	clothing	10,672
Hart Motors Ltd., Dorval Sta., Quebec	reconditioning bridging	17,584
Imperial Oil, Ottawa	fuel oil	90,090
Imperial Oil, Ottawa	diesel fuel oil	36,960
Imperial Oil, Ottawa	petroleum products	331,638
Island Farms Dairies Co-op., Victoria	dairy products	51,738
Johnson & Johnson, Montreal	medical supplies	30,493
J. J. Joubert Ltee., Montreal	dairy products	10,120
Walter Kidde & Co., Montreal	life-saving eqpt. spares	20,979
La Laiterie Granger Freres, St. Johns, Que.	dairy products	18,768
Legrade Inc., Quebec	meat	16,920
Les Industries Prov., St. Damien, Que.	brooms	16,070
Levy Auto Parts, Toronto	universal carrier spares	22,008
Long Sault Woodcraft, St. Andrews, Que.	development, supply of wanigans	30,000
Lunenburg Foundry & Eng., Lunenburg, N.S.	castings	26,916
Man. Dairy & Poultry Co-op., Winnipeg	dairy products	10,988
Maple Leaf Dairy, Halifax	dairy products	27,533
Mine Safety Appliances, Toronto	fire-fighting equipment	12,133
Moore Bros. Mach., Montreal	lathes and attachments	27,190
Northern Electric, Ottawa	signalling equipment	89,080
Northern Wings Ltd., Seven Islands, Que.	aircraft chartering	100,152
Otis Elevator Co., Hamilton	howitzer spares	400,000
Pacific Meat Co., Vancouver	meat	17,055
Palm Dairies Ltd., Edmonton	dairy products	33,330
J. Roland Pare, Bedford, Que.	dairy products	12,243
Parkhill Creamery, Parkhill, Ont.	dairy products	13,290
Photographic Survey Corp., Toronto	mapping service	10,499
Polyfiber Ltd., Renfrew, Ont.	parts, kits for electrical repairs	12,085
Portage Creamery, Portage La Prairie	dairy products	11,520
P. S. C. App. Research, Toronto	technical publications	98,526
Quebecair Inc., Rimouski, Que.	aircraft chartering	200,988
Sicard Inc., Montreal	snowblower engines	134,670
Smith & Nephew Ltd., Montreal	medical supplies	36,446
Sorel Ind. Ltd., Sorel, Que.	howitzers	1,800,000
Standard Dairies Ltd., Winnipeg	dairy products	11,768
Standard Tube & T. I., Ottawa	spare parts universal carriers	10,443
Sterling Rubber Co., Guelph	medical supplies	13,504
Swift Canadian Co., Saint John, N.B.	meat	13,221
Swift Canadian Co., Toronto	meat	50,051
Swift Canadian Co., Vancouver	meat	10,810
Texpack Ltd., Brantford, Ont.	medical supplies	21,661
Tide Water Assoc. Oil, Toronto	engine oil	16,875
Tide Water Assoc. Oil, Toronto	lubricating oil	22,108
Vertol Aircraft, Arnprior, Ont.	helicopter airframe spares	250,000
A. Wander Ltd., Peterborough, Ont.	medical supplies	16,575
Weston Bakeries Ltd., Edmonton	bread	15,040
Weston Bakeries Ltd., Victoria	bread	11,200
Wheeler Airlines Ltd., St. Jovite, Que.	aircraft chartering	202,794
Wilsil Ltd., Montreal	meat	28,592
Woodlawn Dairy, Dartmouth, N.S.	dairy products	27,533
World Wide Airways, Montreal	aircraft chartering	202,766

Contracts awarded by Defence Construction (1951) Ltd., July 16-31, 1956

Contractor	Contract	Value
Andex Ltd., Montreal	transit building and outside services—Bouchard, Que.	73,475
Burns & Dutton Concrete & Const., Calgary	storm sewer drainage system—Calgary	198,322
Butler Mfg. Co. (Canada) Ltd., Burlington, Ont.	prefabricated buildings—Alert Bay, N.W.T.	37,284
Cameron Contracting Ltd., Halifax	supply building, maintenance and utilities building and outside services—Halifax	433,680
Ellis Don Ltd., London, Ont.	extension to underground steam and electrical distribution systems—London, Ont.	83,800
Alex I. Garvock Ltd., Ottawa	training and administration buildings—Uplands, Ont.	444,900
Gander Lumber Co. Ltd., Gander, Nfld.	erection of antenna towers and transmission lines—Gander, Nfld.	15,312
J. O. Lambert Inc., Quebec	foundations for readiness hangars and outside services—Bagotville, Que.	177,402
Lockerbie & Hole Western Ltd., Edmonton	rehabilitation of underground steam distribution system—Edmonton	592,605
Mechron Engineering Products Ltd., Ottawa	maintenance services for micro wave relay stations—various locations	500,000
Oland Construction Ltd., Lethbridge, Alta.	3-bay garage—Vulcan, Alta.	19,943
C. J. Oliver Ltd., Vancouver	roads, sidewalks and landscaping—Chilliwack, B.C.	56,393
A. Pollard Const'n, Victoria	combined technical training establishment—Esquimalt, B.C.	1,624,984
Maurice H. Rollins Const'n, Belleville, Ont.	renovation of building—Trenton, Ont.	23,342
Shore & Horwitz Const'n Co., Ottawa	combination storm and screen doors—Rockcliffe, Ont.	15,740
Shore & Horwitz Const'n Co., Ottawa	foundations for readiness hangars and outside services—Uplands, Ont.	169,780
Stewart Electric Co., Winnipeg	fluorescent lighting fixtures—Winnipeg	11,398
W. C. Wells Const'n Co., Edmonton	road paving—Edmonton	196,460
W. C. Wells Const'n Co., Edmonton	roads, walks and parking areas—Namao, Alta.	514,554

CNR Trainmen Get Pay Hike

MONTREAL (Staff) — The **CNR** and the Brotherhood of Railroad Trainmen have agreed on a new 26-month contract providing for a 12% wage increase, 7% retroactive to April 1 this year; with a further increase of 5%, effective June 1, 1957.

The 10,000 trainmen are the last of the three running trades to sign new contracts with the CNR.

The pattern established by the contract — 12% in two stages — varies from the pattern reached in the earlier settlements with the Brotherhood of Locomotive Firemen and Enginemen and the Brotherhood of Locomotive Engineers.

In the latter two cases, the unions won 11% increases, 6% retroactive to April 1, with a further 2% increase effective Nov. 1 of this year and a final 3% June 1, 1957. In addition these two contracts are to run for two years as against 26 months in the trainmen's contract.

Contract with the trainmen also includes payment of $4.25 per month per employee in lieu of health and welfare benefits, a provision similar to one incorporated into the contracts with the other two running trades.

Agreement was based on the unanimous report of a board of conciliation which was composed of Judge J. C. Anderson, chairman; A. W. Roebuck, QC, and J. Brendan O'Connor, Barrister.

Japanese Look To Canada For Iron Ore and Coal

Japanese industry is looking to Canada to augment its supplies of iron ore and coal, said Yoshimitsu Kawano, parliamentary deputy minister of international Trade & Industry in the Japanese Government. The minister visited Toronto for the opening of Japan's trade exhibit at the Canadian National Exhibition.

To alleviate Japan's shortage of iron ore, a long-term contract for the purchase of 1.3 million tons of ore has recently been completed between Japanese importers and British Columbia suppliers.

Japanese steel users are negotiating with Canadian coal suppliers as well, said Mr. Kawano. If prices, qualities and quantities are right, he indicated, Japan might be a steady customer.

The Japanese steel industry, now booming to meet the unprecedented demands of shipyards and other customers, has been unable to obtain coking coal from its pre-war source, Manchuria, since the war's end.

Japan's system of voluntary restrictions on the export of textile products would be continued next year with quotas approximately the same as those now in effect, the minister said. Increasing Japanese production of textiles, particularly of synthetics, would be channeled toward South-east Asia, although greater competition is being encountered from domestic manufacturers in countries of that area.

Mr. Kawano was the author of a bill, passed by the Japanese Diet in 1955, to limit textile production by scrapping some surplus machines and sealing others. Workers idled by this action were shifted to production of synthetic fibres.

ANNOUNCEMENT

J. L. SAYERS

Mr. R. R. Keay, President of Broadcast Operations Ltd., takes pleasure in announcing the appointment of Mr. J. L. Sayers as Manager of Radio Station C-FUN, Vancouver. Mr. Sayers started in radio with CJCA Edmonton in 1942 and subsequently served with CJOC Lethbridge, and CKCK Regina, in production and sales executive positions. He has been Sales Manager at CKWX since joining the staff in 1947. Mr. Sayers takes charge at C-FUN September 1.

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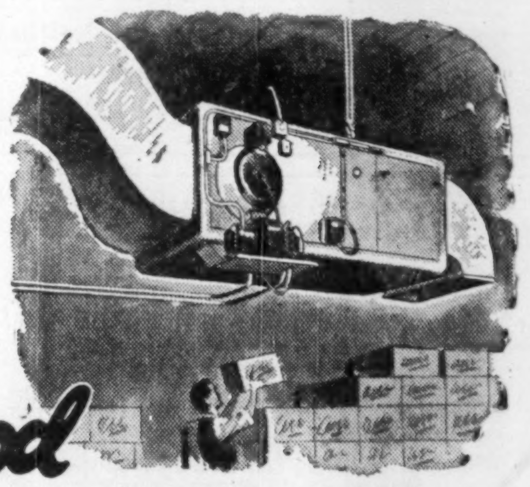

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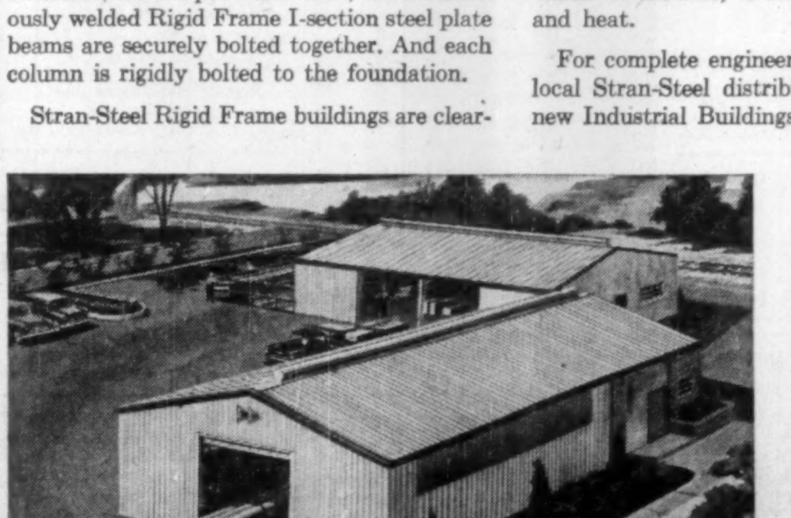

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ANNOUNCEMENT

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Mr. Lloyd Burns, General Manager of Screen Gems (Canada), Ltd. announces the appointment of Mr. Wm. O. Steer as National Sales Supervisor. Prior to this appointment, Mr. Steer represented the Fredrick Ziv Television programs thru All-Canada TV Facilities and comes to Screen Gems from M.C.A.-TV of Canada.

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Market Comment

What stocks and bonds are doing and what prominent observers say

In two successive comeback days, the New York Dow-Jones industrial average has recovered close to 12 points of its two week, 28-point sinking spell. The comeback, however, like the downward action has been in small volume and has given no clear indication of basic market direction from here.

Tightening credit and the Suez Canal situation undoubtedly remain the major market influences at the moment. It's too early yet for conclusive post-holiday business idicators but what signs there are point to the expected seasonal boost in buying orders.

Canadian speculative mines and oil stocks remain largely dormant at the moment but with dozens of "hot" deals involving new base metal and iron ore properties and western oil projects new market activity can break out at any moment.

* * *

F. COULTER DEACON; F. H. Deacon & Co. (Toronto)

Since early August, following the usual summer rally, the New York markets in particular, and the Canadian markets to a lesser degree, have declined. It is my opinion that this trend will continue at a relatively slow pace for the next few weeks with the New York Dow-Jones industrial averages apt to approach their May lows of around $4.60-$4.75. The Canadian markets are likely to continue to be less affected.

There appear to be three major influences at the present time:

1—Rising money rates in an effort to dampen inflationary pressure.

2—International tension, particularly in the Near East.

3—U. S. Presidential elections.

The New York market appears to be discontinuing some uncertainty regarding Eisenhower's re-election and no doubt it would strengthen sharply if he is returned. Should Stevenson be elected, a further reaction could occur but not likely for long. Democrats historically, have been more internationally minded than Republicans and world trade should fare as well under Stevenson as under the present administration. Those who should know state Stevenson is an able administrator.

While there is no indication of a near-term change in the current trend to higher interest rates, rapid action could be expected if anti-inflationary measures proved too effective. Although there are dangerous elements in the Near East situation, it would appear that the chances of a serious outbreak of hostilities is much less likely as the result of the events of the past week. No doubt time will be needed to reach an acceptable Suez agreement but I think that its influence as a market factor will steadily recede.

All things considered, I believe we are about half way hrough the small intermediate decline which started in early August and consider that safe dividend-paying stocks of first quality will be in a buying range within the next 30 days. Many growth stocks associated with natural gas and allied developments such as Canadian Hydrocarbons, Mid-Western Industrial Gas, and Interprovincial Utilities, to mention only three, are in a buying range now. After several years of almost unbroken gains, indications of overcapacity within two years suggests a more cautious approach to pulp and paper stocks.

* * *

A. A. McLAUGHLIN; Baker, Weeks & Co. (Montreal)

Renewed credit restraint appears to have been the main influence behind the minor decline in stock prices from the July-August highs, with the Suez crisis a less important contributing factor. The initiation of a downturn after the market had failed to advance more decisively into new high ground, together with the diminished attractiveness of stock versus bond yields, have convinced some market observers that this decline may develop serious proportions.

However, judging from the relatively light selling pressure, such opinions do not appear to have been shared by the vast body of investors. In particular, there has been no evidence of large-scale liquidation by the most important institutional accounts, where the experience of the post-war period has built up firm convictions regarding the long-term superiority of common stocks over bonds.

While it is true that stock prices have advanced to levels which reflect a high measure of confidence in the future and the investor should be wary of the possibility of unforeseen developments damaging that important element in the current price structure, the present situation in our view does not justify a conclusion that the equity market is now vulnerable to a major decline.

Further time may be needed to clarify the credit outlook but business prospects well into 1957 appear excellent, earnings and dividends are in well-defined uptrends and a satisfactory percentage of well-situated stocks have maintained constructive price patterns.

Under the circumstances it seems unduly pessimistic to assume that monetary policy, in seeking to restrain price inflation, will be so inflexible to the practical pressure of rising labor costs as to induce deflation and unemployment. We are inclined, therefore, to use weakness to add to holdings of the best-situated issues, with more emphasis on selection than reliance on a further important extension of the recent decline.

* * *

DAVIDSON & CO. (Toronto)

Despite considerable pessimism accompanying receding stock prices the past three weeks there appears a few sound reasons to express some optimism for the next few weeks.

The high level of employment and corporate earnings, the tendency developing toward increased dividends for more attractive yields and the tremendous expansion in the nation's mineral industry are expected to have some impact on future market action.

Credit tightening by Ottawa and Washington, coupled with the uncertainties created by Suez developments, undoubtedly were the prime reasons arresting the upward trend of the market. It would appear political conventions across-the-line did not affect the market too much one way or the other but a surprise Democratic victory next November could prove a major influence on the thinking of the investing public.

The retreat of stock prices recently, a comparatively orderly one excepting the occasional session, significantly developed on somewhat dwindling volume. Many regard the light volume of recent sessions an outstanding barometer for recovery as only through consolidation can a sound foundation for recovery take place.

Strength from weakness developed from this year's earlier deflationary move by Ottawa last Easter, when the mildest alarmists were predicting dire declines. Admitedly prices receded, helped along by President Eisenhower's sudden illness, then strengthened to carry indices to record levels both here and at New York.

Latest action by the Bank of Canada—as a means of lengthening out the boom—has already created some caution in market dealings and there is the possibility the full effect of tighter money may not be felt for some months yet.

However, there is no disputing the facts. Our nation's business is engaged in vast expansion, especially that phase of operation identified with mining, oil and gas. And it would seem there is no governmental intention, and slight danger of tight money closing down either the mineral expansion or the outlay for capital goods to keep Canada's economy rolling along at least at its present clip.

In some respects deflationary tactics by the Bank of Canada have already been effective if one applies tightened money policies with day-to-day activities of the stock exchange where both volume and price ranges have retreated materially the past couple of weeks. These trends, however, were quite apparent last Easter but later the market witnessed accelerated volume on the reassessment of nickel and our western gas and oil stocks.

Approaching fall and the expectations of sound third quarter corporate earnings report and the flow of drill hole news and underground development reports from the mining industry it would not be sheer conjecture to anticipate these situations to come in for favorable assessment marketwise. Improving Suez sentiment, the successful progress of the western pipeline and the more realistic prices for a wide range of investment and speculative stocks could be incentives for renewed market purchasing power.

* * *

BARRON'S; The Trader (New York)

Clearly the drop in stocks over the past fortnight has been due to the tightening of money rates. In the rush to reduce or wipe out debits, brokerage customers, before and since establishment of a 4½% collateral loan rate, have in four weeks cut loans at New York by $300 million.

A business boom of the current world-wide magnitude is bound to generate credit strains and the answer to the problem of new financing may well lie in an increasing resort to equities.

New Highs and Lows

During the week ended Aug. 31, 11 new highs and 39 new lows were recorded among the general stocks on Canadian stock exchanges. In the mining group there were eight new highs and 37 new lows. In western oils there were nine new highs and six new lows.

GENERAL — NEW HIGHS - 1956

B.C. Packers B	Stuart D. A.
Dom. Textile pfd.	Sun Publishing Co.
Economic Inv.	Traders Fin. A
Gord. Mackay A	Do. B
Mailman c.c. pfd.	Wabasso Cot.
Ontario Steel	

NEW LOWS - 1956

Alum. of Can. 2nd pfd	Imperial Life
Anglo Can. Tel. pfd.	Inglis, John
Argus $2.50 pfd.	Inter. Util
Bowater Corp.	Loblaw pfd.
B.C. Elec 4¼% pfd.	Lower St. Law. pfd.
Do. 4¼% pfd.	MacMil. & Blo. B
Cdn. Breweries	Massey-Harris
Do. pfd.	Do. 4½% pfd.
Cdn. Marconi	Morgan, H.
Cdn. Util.	Ont. Jockey warr.
Davis Leather A	Do. 5½% pref.
Dom. Glass pfd.	Powell River
Dom. Tar. rts.	P.R.M. Inc. deb.
Easy Washing	Price Bros. pref.
Fanny Farm.	Shaw. pr. 4% pf. A
Foundation Co.	Sicks Brew.
Gt. North. Gas pref.	St. Law. Corp.
Hendershot Pap. rts.	Do. 5% pref.
Imp. Invest A	Watermans Pen
	Westminster P.B.

MINING — NEW HIGHS - 1956

El-Sol	Newkirk
Grandoro	Northspan
Mackeno	Pacific Nickel
New Jack Lake	Yukon Cons.

NEW LOWS - 1956

Acadia Uran.	New Dickenson
Alba	Newlund
Bandowan	Pend Oreille
Boymar	Pronto warr.
Cons. Gold arr.	Que. Copper
Cons. Red Poplar	Que. Met.
Detta	Rare Earth
Duvan	Reeves McD.
Fano	Rix-A'basca
Frobisher	Silanco
Goldale	Sullivan Cons.
Granby	Surety
Int. Ranwick	Taurcanis
Jonsmith	Tiara
MacDonald	Trans-Can. Explor.
Martin Mcn.	Vico
Milliken L	Werner Lk.
Min-Ore	Wright-Har.
N. Alger	

OILS — NEW HIGHS - 1956

Ajax	Sapphire
Canso Pet.	Do. debs.
Ft. St. John	Scurry-Rainb.
N. Chamb'n	W'Burne
Ridgeway	

NEW LOWS - 1956

Edoran	N. Bristol
Israel Cont.	Silver City
Jump. Pond	Willrich

Opemiska Net $2.2 Million In First Half

Net profit of $2,261,848, equal to 41c a share, was reported by **Opemiska Copper Mines (Quebec) Ltd.** for the first six months of this year.

Earnings in this period were more than double the first half of 1955 when net profit was $846,623. Net profit for the whole of 1955 was $2,382,861, equal to 43c a share.

Second quarter net this year was $1,173,975, the company's quarterly report discloses.

Gross value of production in the first half of 1956 was $5,217,038 from 10.8 million lb. copper produced, 4,252.5 oz. gold and 65,067.9 oz. silver.

Mine and concentrator production in the second quarter this year continued at full capacity, A. G. Fulton, secretary, reports. Daily tonnage treated averaged 796 tons. Grade of ore milled was slightly lower at 4.11% copper, 0.037 oz. gold and 0.56 oz. silver per ton.

A total of 11,309 tons of concentrates, averaging 24.36% copper, were produced.

Operating costs were $8.76 per ton of ore treated. An expanded program of surface exploration accounted for a rise over the first quarter.

Results of outside exploration at Waconichi Lake indicated mineralization too low in copper content to warrant further work and the option was canceled, the report says.

Drilling was continued in the Perry zone area. Recent drilling, mostly in the central part of a 1,100-ft. zone, gave the following results: 26 ft. of 5.90% copper, 30 ft. of 3.89%, 6.5 ft. of 11.60% 13.5 ft. of 3.27% and 9.5 ft. of 3.79%. Intersections were at varying depths between 185 ft. and 410 ft. below surface and occur in separate holes.

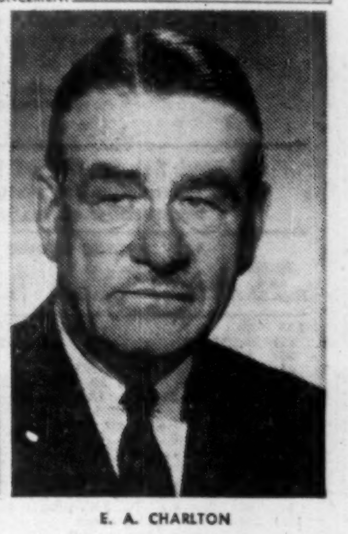
Additional drilling from surface will be for laying out underground development. Plant buildings are being erected at the Perry mine and machinery installation should be completed to permit resumption of shaft sinking this month.

Installation of a new hoist is under way at the original production shaft at the Springer mine.

ANNOUNCEMENT

CHARLES W. BUDDO

Who has been elected to the Board of Directors of Abitca Lumber & Timber Corporation Ltd., Montreal. Mr. Buddo, of Lampard & Company, Investment dealers, Toronto, was formerly general manager of American Resinous Chemicals of Canada Ltd. He was previously general sales manager for O'Keefes Brewing Company and responsible for the sales throughout Canada and the United States. As a result of his many activities, he enjoys excellent and extensive business and financial connections both in Canada and the United States.



E. A. CHARLTON

Consulting Engineer, who has been elected to the Board of Directors of Abitca Lumber & Timber Corporation Ltd., Montreal, and appointed Executive Vice-president of the Company. Mr. Charlton, a world authority on pulp and paper, was formerly Vice-president and general manager of International Paper & Power Company of Newfoundland; Vice-president of International Paper Co., New York and Vice-president of Canadian International Paper. Formerly consultant engineer for Henry J. Kaiser, The Chicago Corporation, Union Bag and Paper Corporation, Southland Paper Mill, etc., Mr. Charlton is the consultant for the 17 million dollars pulp mill currently being erected by Thurso Pulp and Paper Company at Thurso, Que.

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A car owner read a newspaper ad for a brand of tires. He drove to a garage and asked for a set. This garage didn't carry that brand, but they gave him a good deal on a competing make.

MORAL: Don't let your advertising sell someone else's goods. Tell your customers "Where to Buy" by referring them to your YELLOW PAGES Trade Mark heading.

Contact the DIRECTORY SALES DEPARTMENT
Toronto — EM. 6-7393
Montreal — HU. 8-2311

THE BELL TELEPHONE COMPANY OF CANADA

PUBLIC NOTICE

PETROLEUM AND NATURAL GAS LEASES

IN THE

BATTLE, CESSFORD, FAIRYDELL-BON ACCORD, HOMEGLEN-RIMBEY, PEMBINA, STETTLER, AND STURGEON LAKE SOUTH AREAS.

The undersigned will receive up to the close of office October 10, 1956, offers to purchase a Petroleum and Natural Gas lease for each of the following parcels namely:

Parcel No.	Part	Sec.	Twp.	Rge.	Mer.	Acreage
Battle						
4	S.W.¼	2	46	20	4	160
5	N.W.¼	14	46	20	4	160
Cessford						
2	All (except gas in Colorado and Blairmore Zones)	24	24	13	4	640
3	S.½ (except gas in Colorado and Blairmore Zones)	25	24	13	4	320
Fairydell-Bon Accord						
2	All (except gas in Viking Zone)	4	58	24	4	640
Homeglen-Rimbey						
3	E.½	2	43	2	5	321
4	E.½	11	43	2	5	320
Pembina						
163	N.½	20	48	6	5	320
164	N.½	21	48	6	5	320
165	N.½	31	46	7	5	299
166	S.W.¼	31	46	7	5	159
167	N.½	32	46	7	5	300
168	N.½	33	46	7	5	300
169	N.½	34	46	7	5	300
170	S.E.¼	34	46	7	5	159
171	S.W.¼	25	47	7	5	161
172	S.½	20	48	7	5	320
173	N.E.¼	20	48	7	5	160
174	W.½	28	48	7	5	320
175	W.½	33	48	7	5	320
176	N.E.¼	33	48	7	5	160
177	S.½	23	47	8	5	320
178	W.½	27	48	8	5	320
179	S.½	28	48	8	5	320
180	S.½	29	48	8	5	320
181	S.½	30	48	8	5	320
182	S.W.¼	34	48	8	5	160
183	S.½	2	49	8	5	318
184	S.½	3	49	8	5	320
185	N.W.¼	3	49	8	5	160
186	W.½	6	49	8	5	320
187	N.½	7	49	8	5	320
188	S.W.¼	7	49	8	5	160
189	W.½	10	49	8	5	320
190	N.½	13	49	8	5	320
191	N.½	14	49	8	5	318
192	N.E.¼	15	49	8	5	160
193	N.½	25	48	9	5	320
194	N.½	26	48	9	5	320
195	N.½	27	48	9	5	320
196	N.½	28	48	9	5	320
Stettler						
15	S.W.¼	4	38	20	4	160
16	E.½	6	38	20	4	320
17	W.½	6	38	20	4	320
18	E.½	18	38	20	4	320
Sturgeon Lake South						
9	N.½	9	69	22	5	320

Any lease that may be granted shall be issued pursuant to Part VI of The Mines and Minerals Act.

The offer in each case must be accompanied by the full amount of the purchase price together with the rental at the rate of $1.00 an acre for the first year, and the lease fee of $10.00. The full, correctly spelled, name of the person for whom the offer is made, followed by his occupation, should be indicated.

The purchase price, rental and fee must be in the form of cash, bank draft, marked cheque on a chartered bank, certified Treasury Branch order cheque, certified non-negotiable transfer voucher, or a letter of credit issued by any chartered bank in Canada in favor of the Provincial Treasurer.

Anyone may ask that if his offer on one parcel is not accepted that he be considered on another parcel providing his order of choice is clearly stated and that the amount of his remittance is sufficient to satisfy the purchase price, rental and fee on the further choice.

The offer should be mailed to the undersigned or may be handed to the Director of Mineral Rights, Room 234, Natural Resources Building, Edmonton.

The right is reserved to reject any or all offers received and to refund to the person making the offer the moneys received from him.

To avoid any misunderstanding it is stated that the lease, if issued will be subject to the royalty that may from time to time be fixed by the Lieutenant Governor in Council pursuant to Section 263 of The Mines and Minerals Act and any offer to receive consideration must be on a strictly cash purchase basis.

H. H. SOMERVILLE,
Deputy Minister of Mines and Minerals.

August 30, 1956.
EDMONTON, Alberta.

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's
No. of Securities	10	9	2	5	9	14	10	15	8	7	13	96
*1935 to date:												
High	947.5	1238.1	252.0	258.0	410.5	203.5	650.0	535.9	233.1	304.7	219.0	297.8
Low	69.7	51.6	61.2	78.4	78.4	79.5	79.3	66.7	60.2	60.0	62.5	61.1
1956 Monthly Figures:												
Jan.	735.6	1070.0	209.4	175.5	179.9	196.8	583.7	458.4	192.6	260.0	206.5	248.5
Feb.	728.0	1077.3	199.2	182.6	174.0	197.3	579.0	464.0	190.6	264.2	204.1	249.2
Mar.	804.6	1153.0	199.6	205.2	178.8	199.7	590.4	503.6	194.3	276.8	210.2	267.9
Apr.	826.4	1223.9	187.4	210.0	170.9	191.8	577.5	519.5	200.2	288.7	209.3	273.0
May	848.1	1192.5	179.8	211.7	160.2	180.8	551.7	488.5	201.0	271.7	204.2	268.5
June	843.6	1146.0	167.3	219.4	158.8	181.5	549.1	466.3	206.0	260.7	199.8	267.0
1956 Weekly Figures:												
July 5	888.8	1160.6	166.1	231.5	153.0	182.0	564.8	487.2	212.5	278.7	203.0	277.4
July 12	936.0	1175.1	166.1	232.2	160.1	188.8	563.7	503.2	222.4	286.5	206.9	281.8
July 19	915.3	1203.8	183.3	235.9	162.6	194.9	567.4	511.1	224.6	290.4	209.5	284.1
July 26	914.8	1203.8	180.0	239.9	162.3	197.7	565.9	516.5*	230.3	294.2	212.2	286.4
Aug. 2	947.5	1216.4	182.6	254.0	160.0	196.5	572.0	622.5	232.6	304.7	215.6	297.3
Aug. 9	936.7	1195.4	181.6	258.4	158.7	197.2	562.8	523.4	233.1	298.2	219.0	297.8
Aug. 16	917.0	1174.2	170.4	252.8	158.3	197.9	562.3	513.4	229.4	296.3	217.1	293.8
Aug. 23	898.8	1162.3	175.0	248.3	156.1	193.3	549.3	510.3	224.9	289.0	215.5	288.6
Aug. 30	877.0	1128.4	166.5	236.8	158.4	192.4	546.7	501.4	220.2	288.9	211.2	281.3

* High and low for year from 1935 to date inclusive are based on weekly figures used by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	15 B.M.	15 W.O.
Sept. 3	....	....	....	....
Aug. 31	487.35	85.38	250.25	167.27
Aug. 30	482.42	84.90	246.64	166.50
Aug. 29	487.21	85.36	249.90	168.54
Aug. 28	489.02	85.44	251.31	169.07
Month Ago	503.48	86.15	260.45	179.05
Year Ago	444.17	86.57	218.64	144.11
1956 High	506.33	90.35	261.51	184.09
1956 Low	430.46	83.74	218.46	118.09

Montreal Stock Exchange Index

	10 Util	20 Indus	30 Com	10 Pprs	15 Golds
Sept. 3	....	....	....	....	....
Aug. 31	144.2	312.8	256.6	1586.45	83.88
Aug. 30	144.5	312.8	256.7	1570.40	83.96
Aug. 29	145.7	314.7	258.4	1577.23	83.96
Aug. 28	145.0	315.5	258.7	1588.53	84.98
Mon. Ago	148.1	332.0	270.7	1712.24	85.68
Year Ago	138.5	296.8	244.0	1475.29	80.78
1956 High	148.1	332.0	270.7	1712.24	89.73
1956 Low	133.7	283.5	233.7	1341.29	75.60

Dow-Jones Closing Stock Averages

	30 Indus	20 Rails	15 Util	65 Stocks
Sept. 3	....	....	....	....
Aug. 31	502.04	160.65	68.63	176.62
Aug. 30	495.96	158.26	68.20	174.55
Aug. 29	500.90	160.01	68.46	176.13
Aug. 28	503.05	159.78	68.63	176.58
Month Ago	513.88	167.64	70.81	181.93
Year Ago	472.53	157.40	66.30	168.81
1956 High	521.05	181.23	71.17	184.11
1956 Low	462.23	153.97	63.03	164.29

Government Bonds

Sept. 4, 1956

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Govt. of Can. Bonds:			
3	Jan. 1959	97¾	98
3	June 1960	96⅞	97
3	Feb. 1962	95¼	96
3	Oct. 1963	94½	95½
3	Sept. 1966	93¼	94¼
3	Perpetual	†87	88½
2¾	June 1968	89¼	90¼
3¾	Jan. 1975/78	98¾	100¼
3¼	June 1974/76	92¾	93¾
Can. Nat. Railways:			
3	Jan. 1959	97½	98½
2¾	Jan. 1967	89½	90½
3	Jan. 1966	92¾	93¾
2¼	Sept. 1969	89	90
4¼	July 1957	♦100	101
Grand Trunk Pacific Rly.:			
3	Jan. 1962	■95½	97½
4	Jan. 1962	■100½	102
Inc. Bank of Reconstruct. & Development			
3¼	Apr. 1965	91½	93½
3½	June 1969	91	93
C'wealth of Australia:			
4	Nov. 1970	95½	97
Prov. Govt. Bonds			
Alberta:			
2¾	Mar. 1970	♦90½	92½
British Columbia:			
4½	Jan. 1969	♦101	103
3	Dec. 1960	95	96½
3	June 1964	91½	93½
5	Sept. 1959	♦102	103½
B. C. Power Comm.:			
3	Oct. 1967	88¾	90¾
Manitoba:			
4	Dec. 1957	♦99¼	100¾
5	Dec. 1959	■101½	103
5½	July 1958	101	102½
3	Oct. 1965	90	91½
4½	Dec. 1956	♦99¾	100¼
New Brunswick:			
4½	Apr. 1961	♦100¼	101¾
2¾	June 1966	86¾	88¼
3½	May 1957	98½	99½
3½	Sept. 1965	92½	94
Nova Scotia:			
4½	Nov. 1960	♦100¼	102
5	Mar. 1960	♦101	102½
3½	June 1963/65	92½	94
3	June 1956/58	97½	98½
2¾	June 1965/68	85½	87
Ontario:			
2¾	Nov. 1965/69	85	86½
4	June 1962	■99½	101
4½	Jan. 1962	♦101¾	103¼
2¾	July 1967/76	83½	85½
3	Nov. 1963/65	91	92½
5	May 1959	■101½	103
4	June 1969/72	97	98½
Ontario Hydro Comm.:			
4	Aug. 1957	■99¼	100¼
2¾	Oct. 1965/68	86¼	87¾
3	Dec. 1963/65	90½	92
3	Nov. 1967/69	87	89
3¼	May 1974/79	89	91
Prince Edward Island:			
3	Oct. 1965	88½	90½
Quebec:			
4¼	Aug. 1958	99¼	100¼
4½	Jan. 1963	100	102
3	Sept. 1962/64	92½	94
Quebec Hydro Commission:			
3	Feb. 1969/73	85½	87½
3	Dec. 1958/60	95	96½
3¼	May 1971/74	87	89
Saskatchewan:			
5	Aug. 1958	100¼	102
4½	Mar. 1960	♦100	101½
5	Dec. 1959	♦102	103½
3	Mar. 1963	91½	93½
3¼	Oct. 1960/62	93	95
3¾	Oct. 1962/65	94½	95½
Newfoundland:			
4¾	July 1965	100	101

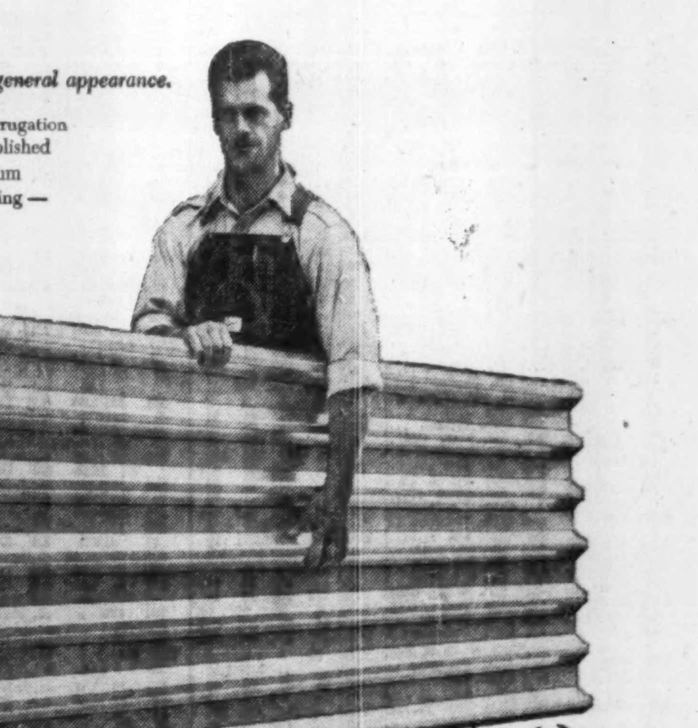
■Payable Can., N.Y. or £. ♦Payable Can. or N.Y. †Callable on or after Sept. 15, 1956.

FOR YOUR FUTURE BUILDING!

The NEW TRAPEZOIDAL PROFILE for Roofing and Siding of ALCAN INDUSTRIAL "KINGSTRONG" ALUMINUM

Specially developed to increase Kingstrong's practical advantages still further, the new Trapezoidal Profile gives you —

- *Extra strength — safe loads are almost double!*
- *Better run-off.*
- *More pleasing architectural lines and improved general appearance.*



BOTH the new trapezoidal and the standard round corrugation (either stucco embossed or plain finish) offer you established "Kingstrong" qualities which make this rugged aluminum sheet the practical answer for enduring roofing and siding — for warehouses, mine buildings, dock structures, etc. Sandwiched with insulation, trapezoidal profile sheet offers inexpensive walls only a few inches thick, yet having a remarkably low U-factor.

LIGHT — can be handled much more easily and quickly — costs less to transport — cuts erection time and costs.

LONG-LASTING — strong and rustproof all the way through — resistant to corrosive industrial fumes and salt-laden atmosphere — requires no painting or expensive maintenance — fire-resistant and spark-proof.

"Kingstrong" is a registered Trade Mark for aluminum sheet manufactured by Aluminum Company of Canada, Ltd. It is corrugated by:

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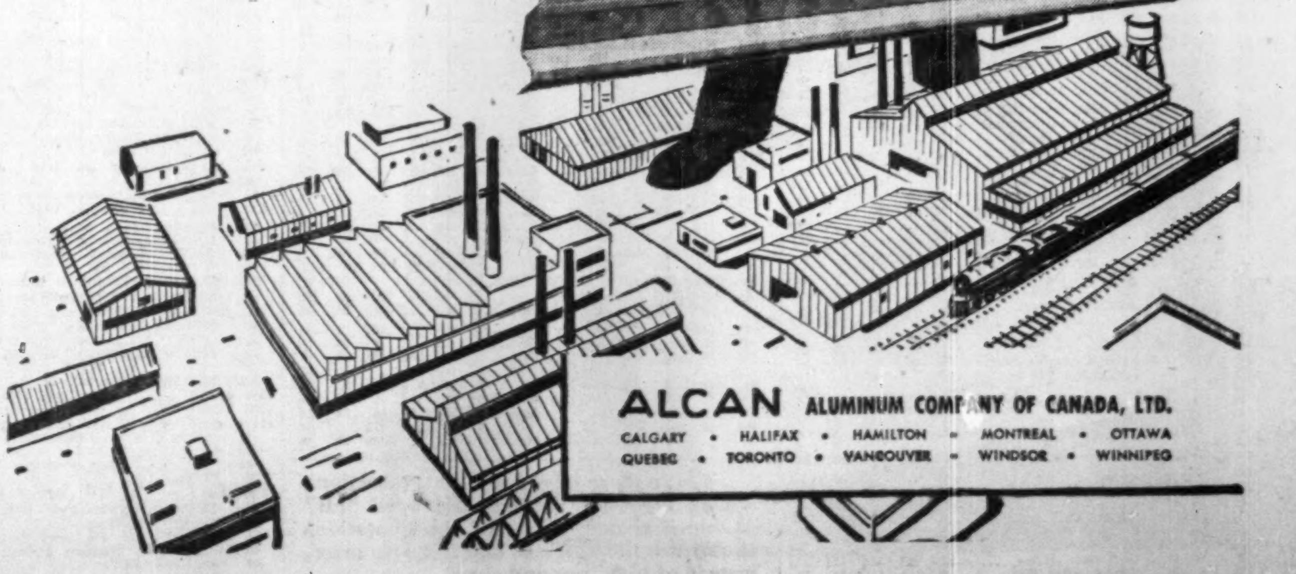
Edmonton, Hamilton, Montreal, Toronto, Vancouver, Winnipeg

ROSCO METAL & ROOFING PRODUCTS LTD.
Calgary, London, Montreal, Ottawa, Quebec, Regina, Toronto, Vancouver Winnipeg



ALCAN ALUMINUM COMPANY OF CANADA, LTD.
CALGARY • HALIFAX • HAMILTON • MONTREAL • OTTAWA
QUEBEC • TORONTO • VANCOUVER • WINDSOR • WINNIPEG

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official, exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 36

WEEK ENDING AUGUST 31, 1956

Range 1956 High	Low	Div. R'te $	Y'ld Aug31 %	Company	Sales	Last Aug. 24	Week end. Aug. 31 H	L	Close
1.75	.70		...	Abitica Lum.	109200	1.45	1.45	1.25	1.45
43½	34½	*1.55	..	Abitibi	12354	39½	40	37½	38½
26¾	24	1.12½	4.6	Do. 4½% pref.	840	25	25	†21½	24½
12½	9¾	.50	5.1	Acadia Atlan.	241	9½	10	†9½	9¾
101½	100	5.00	5.0	Do. 5% pref.	nil	..	..	99¾	100
24½	20½	1.20	5.5	Do. (A)	100	20	22	21½	22
..	..	▲1.00	..	Admiral	nil	..	..	35	17
8½	7	.40	5.5	Agnew Surp.	1235	7¾	7½	7½	7½
10½	8½	.55	6.1	Do. pref.	nil	..	9½	9½	9
2.10	1.55		...	Albt. Dist.	5700	1.60	1.70	1.60	1.70
1.75	1.40		...	Do. V.T.	3600	1.40	1.45	1.40	1.45
127	93		...	Algoma Steel	2622	119	119	115	117
26½	22½	1.00	4.2	Alum. of Can. p	1215	24½	25½	23¾	23¾
52¾	48½	2.25	4.7	Do. 2nd. pref.	930	49¾	49¾	48½	48½
147½	100	*▲1.75	..	Aluminium	624	136¾	137½	131½	133
8	5½	*▲.15	..	Andian Nat.	nil	..	6	6	6¾

Range 1956 High	Low	Div. R'te $	Y'ld Aug31 %	Company	Sales	Last Aug. 24	Week end. Aug. 31 H	L	Close
170	139	1.50	1.0	Conf. Life	nil	..	130	136	153
10½	6¾	*.50	...	Cons. Bakeries	575	7½	7¾	7½	7¾
1.90	1.20		...	Cons Div Sec A	nil	..	1.65	..	1.65
36¾	33	*1.00	..	Do. pref.	nil	..	37	..	36¾
		*.25	.	Cons. Fire ins.	nil	..	7	..	4
47½	33½	1.30+.40		Cons. Paper	7299	42	43	40	41¾
3	2½	•		Cons. Press A	200	2.30	2.30	2.30	2.30
1½	1		...	Do (B)	nil	..	1	1½	1
38	30	.80+*.55		Cons. Smelters	13202	31½	31¾	30½	30½
6¾	4	•		Cons. Textiles	1550	4	4½	4½	4½
	..	1.00	4.9	Do. pref.	nil	..	..	..	†20½
25½	20	.80	3.2	Consumers Gas	1920	24¾	25½	24½	24¾
33½	30	1.50	4.8	Consum. Glass	251	32	33	31½	31½
		*▲1.35■	..	Cont. Can.■	nil	..	..	..	85
5	4½		...	Copp Clark	nil	..	4¾	4¾	4½
18	15¾	*.50	...	Corbys Vot.	950	16	16½	16	16
17¾	15	*.50	...	Do. Non-Vot B	25	15	15	15	15
13½	11½	.70	5.6	Cosmos Imp.	22	12½	13½	12½	12½
7	5½	.30	4.9	Craig Bit	100	6½	6½	6½	6½
22½	20	.60	2.7	Crain, R. L.	nil	..	22½	..	22½
11¾	9¾	*.50+.05		Credit Accept.	nil	..	..	..	†9½
..	.	.	...	Cres. Cream. pf.	nil	..	..	..	62¾
5½	5	.	...	Crestbrook Ltd.	1500	5	5	5	5

Range 1956 High	Low	Div. R'te $	Y'ld Aug31 %	Company	Sales	Last Aug. 24	Week end. Aug. 31 H	L	Close
131½	126½	▲7%		Do. pref.	530	128	128¼	127	128
6¾	6¾	▲7%	...	Do. $5 pref.	nil	..	6½	6½	6½
8	8	*.25		Inter. Paints A	nil	..	7½	..	8
24	22	1.20+‡▲▲.25		Do. pref.	nil	..	..	23	24
142½	109	▲2.00+‡■		Int. Paper■	522	126	127	122½	123
		▲4.00		Do. pref.	nil	.	..	..	100½
40½	28	*1.00	..	Int. Pete.	1590	37	37	35½	36
290	190	2.40	0.9	Int. Power	300	281	281	279	279
56¾	32½	▲1.40	..	Int. Util.	718	50	51	49¾	49¾
48½	39	▲1.40	.	Do. pref.	nil	..	..	..	46
16¾	12	*.70	...	Interp. Bld. Cr.	50	13¾	13½	13	13
50	27½	*1.10	..	Interp. Pipe	7698	46½	46½	43	44¾
13½	11¾	.	...	Interp. Util.	370	12½	12½	11¾	12½
43½	41	*1.80+.40		Invest. Foundat.	nil	..	43½	50	43½
61	55	3.00	5.1	Do. pref.	nil	..	59	60½	†58¾
2.60	1.20		..	Isotope Pro.	3426	1.85	1.95	1.80	1.85
29	25¾	1.50	5.8	Jam. Pub. Ser.	nil	..	..	26½	26
106	106	7.00	6.6	Do. pref.	45	106	106	106	106
85	85	*▲2.00+■		Johns-Man.■	nil	..	54¾	55½	85
11¾	10¾	*.15	...	Johnson Term.	nil	..	10¾	..	11
18½	18	.80+*.20		Journal Pub.	nil	..	16½	18	18
17	10	1.00	8.3	Kelvinator	190	13½	13½	12	12
				La Comp. Son.	nil	..	..	..	22
24	21	1.20	5.6	Labatt, John	1140	21¾	21½	21	21½
144	136	7.00	5.1	L. of Woods pfd.	nil	..	..	140	136
17	13	.60	4.3	Lambert, Alf. A.	500	14	14	14	14
19½	16	.60	3.1	Do. B	nil	..	15½	..	16
..	..	.	...	Langley's pfd.	nil	..	35½	30	36

Where there have been no transactions during the week covered, the word "nil" is shown under sales and the quotations shown are the bid, ask and last sale price, instead of high, low and close.

Range 1956 High	Low	Div. R'te $	Y'ld Aug31 %	Company	Sales	Last Aug. 24	Week end. Aug. 31 H	L	Close
45	40	2.40	5.3	Do. B	100	44	45	45	45
102	100	4.50	4.5	Do. 4½% pref.	nil	..	..	98	100½
48	48		...	Do. Warr.	nil	..	55	..	48
17½	17½	1.00	5.9	Do. A Rights	nil	..	17½	..	17½
19	18¾	1.00	5.3	Do. B Rights	nil	..	18¾	..	18¾
49	41	2.00	4.3	Do. 5% pfd.	50	47½	47½	46	46
15	12	*▲▲.25	..	Trans-Can. C.F.	475	12	12	12	12
85½	44½	.	...	Trans-Mt. Oil	6890	81¾	82½	77	78
21½	9		...	Trans-Prairie	1200	16½	16½	15	16½
156	137	7.00	5.1	Tuckett Tob. P.	nil	..	137	147	137
6	4½	.	...	Union Accept.	370	5¾	5¾	5½	5½
9	7	.60	7.1	Do. pref.	105	8½	9	8½	8½
66	46¾	1.40	2.3	Union Gas	600	60½	61	59	61
8	7½	.50	5.0	Un. Amuse A	nil	..	8	..	10
7	7	.50	7.1	Do. B	nil	..	7	..	7
..	..		...	Do. A V.T.	nil	..	8	10	10
22	20½	*.65	...	United Can Shs.	nil	..	19½	20½	20½
30½	29	1.50	5.0	United Corp. A	nil	..	30	..	30
30	19¾	.40+*.30		Do. B	725	26¾	26	25½	25½
13	11½	.	.	United Distill.	nil	..	11½	12	13
62	57½	3.00	5.0	United Fuel A pf	50	60	60½	59¾	59¾
45	28¾	‡1.00	..	Do. B pref.	230	43	42½	41½	41½
18	16¾	1.00	5.9	United Grain A	100	†16½	17	16¾	17
18	14¾	1.00	5.7	United Steel	865	17¾	17¾	17½	17¾
20¾	18¾	.	...	Universal New	655	20½	20¾	19¾	20¾
5½	3		..	Vanadium All	200	4	4	4	4
66	63	2.00+1.00		Viau Limited	nil	..	66	70	†67
8¾	6¾	.50	7.1	Viceroy A	nil	..	7	7	7
5½	3½	‡.20	..	Do. B	nil	..	3¾	4	3½
26¾	25	*.75	...	Victoria & Gr.	nil	..	25½	..	25¾
15¾	13½	1.25	8.9	Vir. Dare 5% pfd.	nil	..	12	15	14
18	14	.50	2.9	Wabasso Cot.	759	17½	18	17½	17½
6.87½	2.75			Wainwright	4050	4.25	4.25	4.00	4.10
75	65½	3.00+‡1.00		Walker-Good	1925	71	72½	71½	72¾
17½	9½	‡.10	...	Watermans Pen	nil	..	..	9½	9½
19½	11½	*.70	...	Waterous Eqpt.	150	18½	18½	18½	18½
..	..	*4.00+1.00		Wellington Fire.	nil	..	78	..	70
..	..	•	...	Wesley Mason pf.	nil	..	..	25	†14
21½	18¾	1.20	5.9	Westeel	735	20½	20¾	20	20¾
35½	29½	1.20	4.0	West. Can. Brew.	nil	..	30	31½	30
43	38	2.00	5.2	West Grocers A.	15	38	38½	38½	38½
34	29	1.40	5.0	Do. pref.	nil	..	28	28½	28
..	..	7.00	4.5	West Koot. pref.	nil	..	..	..	155
27	21	*.45	..	West Plywood B	4602	24	25½	24½	25
28	27	.50	1.8	Westminster P A	nil	..	..	..	25
29½	24½	.70+‡.10		Do. B	100	25	25	24½	24½
35½	20½	.30	1.4	Weston, G. A	1600	23	23	22	22
36½	21	.30	1.4	Do. B	870	23½	23½	22	22
104½	96	4.50	4.6	Do. 4½% pref.	115	99	99	98	98
47	43	2.80	6.5	White Hard pfd.	nil	..	..	45	43
15	11		.	White Passy	nil	..	10½	11½	11
40	38	1.00♦♦	..	Willson Stat.	nil	..	38½	45	40
101½	98	5.00	5.1	Do. pref.	nil	..	90	..	98
9	7½	*.25	...	Wilson, J. C.	nil	..	8	..	9
47	39	‡.50	...	Windsor Hotel	55	39	40	40	40
15½	11	‡.50	...	Winnipeg Gas	1412	12½	13½	12¾	12¾
			...	Wpg. Win. Club	nil	..	..	..	375
4.00	3.25	‡.30		Wood Alex	nil	..	3.35	3.75	3.50
102	101	5.50	5.6	Wood, G. H., pf.	nil	..	98	..	100
..	..	.	...	Woodford Roy. A	nil	..	..	..	..
..	..	.	...	Do. B	nil	..	..	..	..
47½	47	‡Stk.	..	Woods Mfg.	nil	..	47	..	47
12	11½	.	...	Woodward A	275	12	11¾	11¾	11¾
2.85	2.75		...	Wool Combing	nil	..	2.85	4.50	2.75
2.60	1.50	•	...	York Knitting A	nil	..	1.60	1.65	†1.25
.70	.25		...	Do. B	nil	..	.50	.70	.30
27	23½	*.72½+.10		Zellers	100	26	26	25	25
52	48	2.25	4.6	Do. 4½% pref.	550	49	49½	49½	49½

▲U S funds. ▲▲Participating divd. •Dividend deferred. ■Stock divd. paid in 1956. ♦♦Initial. ♦Shown in francs. ■■On arrears. *Payable in 1956 to date. ‡Paid in 1955. †Less than Board Lot. ♠Note—When sales show nil, the figures are bid, ask and latest sale. §In arrears.

Mining Stocks

WEEK ENDED AUGUST 31, 1956

(Continued on next page)

Dividends Declared

	This payment $	Date payable	Date of record *
Abitibi Pwr. & Pap.	.42½	Oct. 1	Sep. 1
Do. 4½% pf.	.28⅛	Oct. 1	Sep. 1
Acadia-Atlan.	.12½	Oct. 1	Sep. 10
Do. 5% pfd.	1.25	Sep. 15	Aug. 20
Do. $1.20 pfd. A	.30	Oct. 1	Sep. 10
Amer. Cyanamid	†.75	Sep. 28	Sep. 4
Do. 3¾% pf.	†.9375	Oct. 1	Sep. 4
Anglo-Nfld. Dev.	.15	Oct. 5	Sep. 7
Anthes-Imp. pfd.	1.31¼	Oct. 1	Sep. 25
Ashdown Hdwre. A	.15	Oct. 1	Sep. 10
Do B	.18	Oct. 1	Sep. 10
Asbestos Corp.	.25	Sep. 28	Sep. 7
Assoc. Tel. & Tel. A	†1.00	Oct. 1	Sep. 4
Do com	†1.50	Sep. 15	Aug. 15
Atlantic Whol. A & B	.15	Oct. 1	Sep. 15
Do. 5½% pf.	.55	Dec. 1	Nov. 15
Auto Elec. Serv.	.17½	Sep. 15	Aug. 17
Do. A	.12½	Sep. 15	Aug. 17
Barber-Ellis	.80	Sep. 14	Aug. 31
Beaver Lumber A	.25	Oct. 1	Sept. 10
Do $1.40 pf.	.35	Oct. 1	Sep. 10
Bell Tel.	.50	Oct. 15	Sep. 14
Belleterre Que M.	.05	Sep. 15	Aug. 15
Bird Construct.	.60	Sep. 29	Sep. 15
Do.	.60	Dec. 31	Dec. 15
Bowater Corp. 5% pf.	.62½	Oct. 1	Sep. 7
Brazil. Tr. 6% pf.	1.50	Oct. 1	Sep. 17
T. G. Bright 5% pf.	.28¾	Sep. 28	Sep. 14
Br. Amer. Bk Nte.	.30	Sep. 15	Sep. 1
Br. Amer Oil	.25	Oct. 1	Aug. 31
Br. Col. Elec. 4% pf.	1.00	Oct. 1	Sep. 7
Do. 4¾% pfd.	1.19	Oct. 1	Sep. 7
Do. 5% pfd.	.62	Oct. 1	Sep. 7
Do. 4½% pfd.	.56	Oct. 1	Sep. 7
Do. 4¼% pfd.	.53	Oct. 1	Sep. 7
B. C. Packers A	.37½	Sep. 15	Aug. 31
Do. B	1.25	Sep. 15	Aug. 31
Br. Col. Tel.	.50	Oct. 1	Sep. 14
Burlington Steel	.25	Oct. 1	Sep. 7
Burns & Co.	.15	Oct. 30	Oct. 9
Burrard D.D. A	.12	Sep. 15	Aug. 24
Calgary & Ed. Corp.	.05	Oct. 15	Sep. 14
Calgary Power	.50	Oct. 16	Sep. 15
Do. 5% pf.	1.25	Oct. 1	Sep. 7
Can. Bread 5% pf.	.62½	Oct. 1	Sep. 10
Can. Cement pfd.	.31½	Sep. 20	Aug. 20
Can. Fdries. & Forg. A	.37½	Sep. 15	Aug. 31
Can. Iron Fdries.	.37½	Oct. 1	Sep. 10
Do 4½% pf.	1.06¼	Oct. 15	Sep. 21
Can. Life	1.15	Oct. 1	Sep. 14
Can. Malting	.50	Sep. 15	Aug. 15
Do. 4½% pf.	.29¼	Sep. 15	Aug. 15
Can. Packers A & B	.75+‡.12½	Oct. 1	Aug. 31
Can. Perm. M.	.75+‡.10	Oct. 1	Sep. 14
Can. Safeway 4.40%	1.10	Oct. 1	Sep. 3
Can Steamhsip	.50	Oct. 15	Sep. 15
Can. Wire & Cable A	1.00	Sep. 15	Aug. 31
Do. B	.20	Sep. 15	Aug. 31
Cdn. Bk. of Com.	.35	Nov. 1	Sep. 29
Cdn. Col. 5% B-F pf.♦	.02½	Oct. 1	Sep. 7
Canadian Brew.	.37½	Oct. 1	Aug. 31
Do. pfd	.31¼	Oct. 1	Aug. 31
Cdn. Canners	.50	Oct. 1	Aug. 23
Cdn. Celanese	.15	Sep. 30	Aug. 31
Do. $1.75 pf.	.43¾	Sep. 30	Aug. 31
Do. $1.00 pf.	.25	Sep. 30	Aug. 31
Cdn. Gen. Elec.	2.00	Oct. 1	Sep. 15
Cdn. Gen. Sec. A & B	.25	Sep. 14	Aug. 31
Cdn. Ice Mach	.10	Oct. 1	Sep. 14
Do. A	.20	Oct. 1	Sep. 14
Cdn. Westinghouse	.25	Oct. 1	Sep. 14
Catelli Food Prod. A	.12	Nov. 30	Nov. 15
Do. B	.25	Nov. 30	Nov. 15
Celanese Corp.	†.12½	Sep. 25	Sep. 7
Do. 4½% pf.	†1.12½	Oct. 1	Sep. 7
Do. 7% pf.	†1.75	Oct. 1	Sep. 7
Chart. Trust	.35	Oct. 1	Sep. 14
Chrysler Corp.	†.75	Sep. 13	Aug. 13
Cinzano Ltd. 5½% pf.	2¾%	Sep. 29	Sep. 14
Confed. Life Ass.	.37	Sep. 15	Sep. 1
Do.	.38	Dec. 15	Dec. 1
Cons. Paper	.40	Oct. 15	Sep. 7
Cont. Can.	†.45	Sep. 15	Aug. 24
Crown Trust	.15	Oct. 1	Sep. 20
Crown Zell.	†.45	Oct. 1	Sep. 10
David & Frere A	.75	Sep. 28	Sep. 14
Delnite M.	.02	Oct. 1	Aug. 24
Dist. Corp. Seag.	.30	Sep. 14	Aug. 24
Dom. Fdries & Stl.	.20	Oct. 1	Sep. 10
Do. 4½% pf.	1.12½	Oct. 15	Sep. 24
Dom. Glass	.35	Oct. 15	Sep. 28
Do. pfd.	.17½	Oct. 15	Sep. 28
Dom. Life	3.00	Sep. 30	Sep. 25
Dom. Stores	.31¼	Sep. 15	Aug. 17
Dom. Tar & Chem.	.12½	Nov. 1	Oct. 1
Do. $1. p.f.	.25	Oct. 1	Sep. 1
East. Bakeries 4% pf.	1.00+‡1.50	Oct. 15	Sep. 29
East. Can. Sav. & L.	.20	Oct. 1	Sep. 20
Economic Inv-Tr.	.25	Sep. 28	Sep. 14
Eddy Pap. A	.25	Sep. 15	Aug. 16
Electrolux Corp.	†.25	Sep. 14	Aug. 15
Enamel & Heat A	•.10	Oct. 31	Sep. 29
Famous Players	.37½	Sep. 12	Aug. 30
Ford Motor Co.	†.60	Sep. 13	Aug. 13
Ford Motor A & B	1.25	Sep. 15	Aug. 10
Fraser Cos.	.30	Oct. 25	Sep. 29
Gat. Pwr.	.35	Oct. 1	Aug. 31
Do. 5% pf.	1.25	Oct. 1	Aug. 31
Do. 5½% pf.	1.37	Oct. 1	Aug. 31
Gen. Dynamics	†.75+■stk.	Nov. 10	Oct. 10
Gen. Motors	†.50	Sep. 10	Aug. 16
Giant Yell. M.	.15	Sep. 14	Aug. 15
Goodyear Tire	1.00	Sep. 30	Sep. 10
Do. pfd.	.50	Oct. 31	Oct. 10
Gord. MacKay A	.12½	Sep. 15	Aug. 31
Do. B	.12½	Sep. 15	Aug. 31
Grafton & Co. A	.25	Sep. 15	Aug. 25
Do.	.25	Dec. 15	Nov. 26
Gt. Lakes Pap.	.40	Sep. 30	Sep. 14
Do. B	.30	Sep. 30	Sep. 14
Gt. Lakes Pr. 5% p.	.31¼	Sep. 29	Sep. 1
Gt. West Garm. 6% pf.	.15	Sep. 30	Sep. 15
B. Greening W.	.05+‡.10	Oct. 1	Sep. 15
Gypsum Lime	.30	Dec. 1	Nov. 1
Ham. Cotton 5% pf.	1.25	Nov. 15	Nov. 5
Hinde & Dauch Pap.	.45	Sep. 25	Aug. 31
Hollinger Cons.	.06	Sep. 28	Aug. 31
F. W. Horner A	.12½	Oct. 1	Aug. 31
How. Smith Pap.	.25	Oct. 31	Sep. 28
Do. pf.	.50	Oct. 31	Sep. 28
Howe Sound	†.25	Sep. 10	Aug. 31
Hudson Bay M.&S	1.25	Sep. 10	Aug. 10
Huron & Erie Mtge.	.35	Oct. 1	Sep. 15
Imp. Invest. A & B	.17½	Sep. 30	Sep. 15
Do. $2.50 pf.	.62½	Sep. 30	Sep. 15
Imp. Life	.50	Oct. 1	Sep. 14
Imp Oil	.30	Sep. 28	Sep. 4
Imp. Tob	.10	Sep. 28	Aug. 31
Do. 6% pf.	3%	Sep. 28	Aug. 31
Indust. Accept.	.70	Sep. 28	Sep. 4
Do. 4½% pf. $100 par	1.12½	Sep. 28	Sep. 4
Do. 4½% pf. $50 par	.56¼	Sep. 28	Sep. 4
Ing. Mach. & Tool A	.12½	Oct. 1	Sep. 15
Int. Nickel	†.65	Sep. 20	Aug. 21
Int. Paper	†.75	Sep. 17	Aug. 24
Do 4% pf.	†1.00	Sep. 17	Aug. 24
Int. Pet.	†.35	Sep. 10	Aug. 13
Int. Util. $1.40 pf.	†.35	Nov. 1	Oct. 15
Invest. Found.	.50	Oct. 15	Sep. 15
Isle. Tel. 4½% pf.	.22½	Sep. 15	Aug. 31
Jam. Pub. Ser. Ltd.	.37½	Oct. 1	Sep. 4
Jam. P.S. Co. Ltd. p.	1.75	Oct. 1	Sep. 4
Johns-Manville	†.50	Sep. 7	Aug. 27
Johnston Term. 6% pf.	.15	Sep. 15	Sep. 1
Kerr-Add M.	.20	Sep. 27	Aug. 31
Alf. Lambert A	.15	Sep. 29	Sep. 14
Do. A	.15	Dec. 31	Dec. 14
Do. B	.15	Sep. 29	Sep. 14
Do. B	.15	Dec. 31	Dec. 14
Leitch G.M.	.03	Sep. 14	Aug. 31
Leverage Fd.	.04	Sep. 15	Aug. 31
M. Loew's Theat.	1.00	Sep. 28	Sep. 7
Macassa M.	.03	Sep. 15	Aug. 17
MacKinnon Struct St. 5% pf.	1.25	Sep. 15	Aug. 31
Macmillan & Bl. A	.12½	Sep. 28	Sep. 7
Do. B	.20	Sep. 28	Sep. 7
Maclaren Pwr. & Pap.	.50+‡.50	Sep. 28	Aug. 31
Mailman Corp. $1 p.	.25	Sep. 29	Sep. 10
Do. 6% pf.	1.50	Oct. 1	Sep. 14
Man. Sug. 6% p.f.	3.00	Oct. 1	Sep. 14
Massey-Harris-Ferg.	.10	Sep. 15	Aug. 18
Maxwell Ltd.	.12½	Oct. 1	Sep. 14
Minas Basin P. & P.	.50	Nov. 1	Oct. 15
J. S. Mitchell	.31¼	Oct. 1	Sep. 15
Robt. Mitchell "A"	.25	Sep. 15	Aug. 17
Molsons Brew. A	.30	Sep. 21	Aug. 31
Do. B	.30	Sep. 21	Aug. 31
Moore Corp. 7% A & B pf.	†1.75	Oct. 1	Aug. 31
Mt. Royal Dairies	.15	Oct. 1	Sep. 1
Nat. Grocers	.15	Oct. 1	Sep. 14
Do. $1.50 pf.	.37½	Oct. 1	Sep. 14
Nat Hose Mills A	.05	Oct. 2	Sep. 7
Do. A	.05	Jan. 1	Dec. 7
Do. B	.08	Oct. 1	Sep. 7
Nat. Lead	†.75	Sep. 28	Sep. 4
Do. 7% pf.	†1.75	Sep. 14	Aug. 17
Neon Prod. of W.C.	.15	Oct. 19	Oct. 5
Do	.15	Jan. 21	Jan. 7
Noranda M.	.50	Sep. 14	Aug. 17
Normetal M.	.15	Sep. 28	Aug. 31
North Star Oil A	.15	Sep. 15	Aug. 15
Do.	.15	Dec. 15	Nov. 15
Do. 5% pf.	♦.62½	Oct. 2	Sep. 15
Nor. Que. Pwr.	.40	Oct. 25	Sep. 28
Do. 5½% pf.	.69	Sep. 15	Aug. 24
Do. 3-6% pf.	.75	Sep. 15	Aug. 24
Oglivie Flour	.25+‡.50	Oct. 1	Aug. 30
Do. 7% pf.	1.75	Oct. 1	Aug. 30
Okanagan H. 6% pf.	.15	Sep. 15	Aug. 24
Ont. Beauty Supply pf.	.25	Oct. 2	Sep. 20
Ont. Jockey Club 5½% pf.	.13¾	Oct. 15	Sep. 28
Do. 6% pf.	.15	Oct. 15	Sep. 28
Ont. Loan & Deb.	.25	Oct. 1	Sep. 14
Ont. Steel	.25	Nov. 15	Oct. 15
Do. 7% pf.	1.75	Nov. 15	Oct. 15
Pac. Coast Term.	.50+‡1.75	Oct. 15	Oct. 1
Page-Hersey	.75	Oct. 1	Sep. 15
Paton Mfg.	.20	Sept. 15	Aug. 31
Do. 7% pf.	.35	Sep. 15	Aug. 31
Phillips Elec.	.12½	Sep. 29	Sep. 22
Powell Riv.	.30	Sep. 15	Aug. 15
Power Corp.	.50	Sep. 29	Sep. 5
Do. 4½% pf.	.57	Oct. 15	Sep. 20
Do. 6% pf.	.75	Oct. 15	Sep. 20
Provincial Trans.	.25	Sep. 30	Sep. 15
Do. 5% pfd.	.64	Sep. 30	Sep. 15
Que. Tel.	.35	Oct. 1	Sep. 10
Do. A	.37	Oct. 1	Sep. 10
Quemont M.	.50	Sep. 28	Aug. 31
Renable M.	.03	Sep. 15	Aug. 17
Renold Ch. A	.27+‡.05	Oct. 1	Sep. 14
Robinson, L. & Co.	.20	Sep. 29	Sep. 15
Rolland Pap. $4.25 p.	1.06¼	Sep. 15	Sep. 1
Royalite O. 5¼% p.	.328125	Oct. 1	Sep. 14
St. Lawr. Corp.	.50	Oct. 25	Sep. 28
Do. 5% pf. A	1.25	Oct. 25	Sep. 28
Sarnia Bridge	.20	Sep. 15	Aug. 31
Seiberling Rub.	.15	Sep. 25	Sep. 10
Shaw, W. & P. 4% pf	.50	Oct. 2	Aug. 31
Do. 4½% pf.	.56¼	Oct. 2	Aug. 31
Sheep Creek G.M.	.05	Nov. 1	Oct. 1
Shirriff-Horsey	.12½	Sep. 15	Aug. 24
Sicks' Brew. c. v.t.	.30	Sep. 29	Aug. 31
Silknit Ltd.	.25	Sep. 14	Aug. 31
Do. 5%	.50	Sep. 14	Aug. 31
Silverwood Dair. A	.15	Oct. 1	Aug. 31
Do. B	.15	Oct. 1	Aug. 31
H. Simon & S. 5% pf.	1.25	Sep. 1	Aug. 9
Simpsons Ltd.	.12½	Sep. 15	Aug. 15
So. Amer. Gold	.5% stk.	Oct. 24	Sep. 12
Southam Co.	.50	Sep. 28	Sep. 14
So. Can. Pwr. 6% pf.	1.50+‡1.00	Oct. 15	Sep. 20
Standard Brands	†.50	Sep. 15	Aug. 15
Stand. Paving	.37½	Oct. 1	Sep. 14
Stand. Radio A & B	.15	Oct. 10	Sep. 20
Stedman Bros.	.25	Oct. 1	Sep. 15
Sterling Trusts	.40	Oct. 1	Sep. 18
Sun Publishing A	♦.12½	Sep. 15	Sep. 7
Super-Serv Sts. 4½% pf.	.111	Sep. 15	Aug. 20
Superior Pro. Ltd. p.	.35	Oct. 1	Sep. 15
G Tamblyn Ltd.	.30	Oct. 1	Sep. 7
Do. 4% pf.	.50	Oct. 1	Sep. 7
Tor. Gen. Trusts	.35	Oct. 1	Aug. 31
Traders Finance A & B	.60	Oct. 1	Sep. 7
Do. 4½% pf.	1.12½	Oct. 1	Sep. 7
Do. 5% pf.	.50	Oct. 1	Sep. 7
Union Accept. 2nd pf.	.15	Oct. 1	Sep. 14
Un. Fuel Invest. 6% pf.	.75	Oct. 1	Sep. 7
Un. Steel Corp.	.25	Sep. 28	Sep. 7
Viau Ltd.	.50	Oct. 1	Sep. 20
Viceroy Mfg. A	.12½	Sept. 15	Sep. 1
Victoria & Grey Tr.	.25	Sep. 15	Aug. 31
Wabasso Cot.	.12½	Oct. 1	Sep. 7
Waite-Amulet M.	.35	Sep. 10	Aug. 10
Waterous Equip.	.37	Sep. 15	Aug. 31
Westeel Prod.	.30	Sep. 15	Aug. 23
Western Grocers A	.50	Oct. 15	Sep. 15
Do. 7% pfd.	.35	Oct. 15	Sep. 15
Willson Stat.	♦1.00	Oct. 1	Sep. 16
Wright-Harg. M.	.03	Oct. 1	Aug. 31
Yellowknife Bear M.	.03	Sep. 17	Aug. 17

†U. S funds. ‡Extra
*The ex-dividend date is usually at least two full business days prior to the record date
§First following 2-for-1 stk. split.
■—1 com. sh. for ea. 2 com. shs. held.
♦—Initial.
•—First following st. split.

Unlisted Stocks

(Compiled by Intercity Securities Corporation Limited, Toronto)
August 31, 1956

	Bid	Asked
Algoma C. & H.B. Rly. com.	32.00	34.00
Do. pfd.	1.50	....
Allens Toronto, units	43.00	....
Anglo Can. Telephone, A	23.00	28.75
Bowater Ltd.	6.10	6.30
Bowes Ltd., 1% pfd.	.75	.90
Brinton Peterboro Carpet	51.00	....
British America Assce.	123.00	128.00
B. C. Sugar	32.00	34.00
British Mortgage & Trust	216.00	226.00
B. C. Telephone, 4½% pfd.	96.00	98.00
Can. Crushed Stone, 6% pf.	97.00	101.00
Can. Cons. Grain, common	5.00	8.00
Do., units	85.00	....
Can. Delhi Pete	7.75	8.25
Can. Foreign Securities	12.75	....
Can. Insurance Shares	100.00	108.00
Carlton Club	135.00	....
Cawthra Apts.	37.00	....
Chase, Dr. A. W., common	1.75	2.25
Colonial Steamships com.	190.00	....
Commercial Finance	48.00	....
Concourse Bldg., v.t.	53.00	....
Crain, R. L., pfd.	.80	....
Crown Life Insce.	148.00	153.00
Crown Zellerbach Canada	25.75	26.25
Debentures & Secs., 5% pfd.*	92.00	97.50
Detroit Internat. Bridge	19.00	21.00
Dom. Can. Gen. Insce.	80.00	....
Dom. Linseed Oil, pfd. & com	2.75	....
Dover Industries	10.50	11.25
Eastern Canada Savings	20.25	21.50
Eastern Trust Co.	30.00	33.00
Essex Packers common	2.00	3.00
Do., pfd.	40.00	44.00
Goderich Elevator	23.00	24.00
Granite Club	14.25	....
Gt. Britain & Can. Inv., com.	14.00	14.75
Do., pfd	117.00	....
Great Lakes Power, com.	19.00	21.00
Great-West Life Assce.	285.00	295.00
Guar. N. Amer., fully paid	400.00	425.00
Do., 20% pd.	86.00	....
Halifax Insce.	16.00	17.00
Halton & Peel Trust	10.00	11.00
Highland Dairy Pfd.	40.00	....
Homewood Sanitarium	90.00	....
Hudson's Bay Co.	28.00	28.50
Humber Amusement Pier	.35	.50
Humberstone Shoe	8.25	9.00
Industrial Mtge. & Trust	77.00	83.00
Ingersoll Machine, 4% pfd.	87.00	91.00
Do., B	5.00	6.00
Inland Natural Gas	8.00	8.50
Jenkins Bros., com.	68.00	73.00
Lambton Golf Club	325.00	....
Lambton Loan Sarnia	81.00	84.00
Lawson & Jones 1% pfd.	.75	....
Lond. Can. Inv. $3 pfd.	49.00	....
Do., A	42.50	46.00
London Life Insurance	180.00	200.00
Lord Simcoe Hotel A	3.75	4.25
Manufacturers Life	261.00	271.00
Monarch Life 40% pd.	290.00	....
Morrow Screw & Nut	40.00	....
National Life	340.00	375.00
Nat. Sewerpipe, units	14.00	17.00
Niagara Lower Arch Bridge	64.00	....
Northern Telephone	4.45	4.65
Nova Scotia Trust	20.00	....
Oakville Wood, 6% pfd.	90.00	95.00
Paramt. Oshawa Theatres	12.50	....
Park Lawn Cemetery	1.75	....
Phillips Electrical	17.50	18.50
Prairie Royalty Trust, units	2.50	....
Prudential Trust	16.00	18.00
Rapid Grip Batten, pfd.	99.00	102.00
Reliance Pete., A & B	23.00	....
Do., pfd.	43.00	....
Robin Jones Whitman, pfd.	24.00	26.50
Royal Oak Dairy, B	3.25	....
Sherbrooke Trust	155.00	....
Sincennes McNaughton L.	3.00	....
Skyway Drive-In Theatre	1.40	1.70
Sovereign Life, 25% pd.	100.00	....
Standard Fuel, common	2.75	....
Do., pfd. $2.25	40.00	42.50
Summit Golf	15.00	25.00
Sun Life Assce.	275.00	295.00
Surpass Petrochemicals	1.50	1.53
Teleflex Ltd.	12.00	15.00
Thorncliffe Park	7.00	7.50
Toronto & London Inv.	2.75	....
Tor. Gen. Insurance	25.00	28.00
Tor. Medical Arts Bldg.	34.00	....
United Can. Shares	19.50	20.50
Waterloo Mfg.	7.00	8.00
Waterloo Trust	34.00	....
Westcoast Trans., V.T.	26.25	27.00
Do., units	151.00	154.00
Western Asce.	73.00	78.00
Western Life, 25% pd.	75.00	....
Wood Alexander, 6% pfd.	93.00	....

Company Meetings

Date	Company	Place
Sep. 6	Tip Top Can.	Otterville, Ont.
Sep. 10	Peace Riv. Nat. Gas	Calgary
Sep. 13	Industrial Accept. Corp.	Mt. Royal, Que.
Sep. 17	Catelli Food Prod. Ltd.	Montreal
Sep. 17	Lyndhurst Mining	Montreal
Sep. 19	Agnew Surpass Shoe	Brantford
Sep. 20	Continental Can.	New York
Sep. 21	Triad Oil Ltd.	Calgary
Sep. 28	Power Corp. of Can.	Montreal
Oct. 17	Int. Paper Co.	New York

Bond Redemptions

Bond Issues	Rate	Year	Date	Cal. Pr.
•Interprov. Pipe Line Co. 1st Mtge. & Coll. Tr. Bds. Ser. C	4%	'73	Oct. 1	$100.00
♠Ontario Steel Products S.F. debs.	5¼%	'68	Oct. 1	$100.00
*Power Corp. of Can. Ltd. conv. debs.	4½%	'68	Sep. 25	$103.00
■Trs. Mtn. Oil P.L. Co. 1st Mtge. & Conv. Tr. Bds. Ser. A	4½%	'72	Oct. 1	†$102.93
♦Trs. Mtn. Oil P.L. Co. 1st Mtge. & Conv. Tr. Bds. Ser. B	4%	'72	Oct. 1	†$102.92
▲Trs. Mtn. Oil P.L. Co. 1st Mtge. & Conv. Tr. Bds. Ser. C	4%	'72	Oct. 1	†$102.93

*All outstanding.
†U. S. Funds.
■$250,000.
♦$250,000.
▲$42,000.
♠$125,000.

Foreign Exchange Rates

Foreign Exchange Rates
Noon Value in Canada
Week Ended Aug. 31, 1956

	U. S. $	U. K.
Mon.	98 6/32	2.73 3/16
Tues.	98 3/32	2.73
Wed.	98 5/32	2.73 2/16
Thur.	98 2/32	2.72 13/16
Fri.	98 1/32	2.72 10/16
Ave.	98 17/160	2.72 76/80

U. S. rate reported by Bank of Canada.
U. K. bid rate reported by Toronto-Dominion Bank.

UNION ACCEPTANCE CORP. during July issued an additional 25 participating nonvoting second preferred shares and an additional 25 common shares upon exercise of debenture A warrants. Now 191,097 second preferred shares and 201,457 common shares outstanding.

Mine and Oil Stocks

Range 1956 High	Low	Div. Rate $	Company	Sales	Last August 24	Week Ending August 31 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Oil Stocks

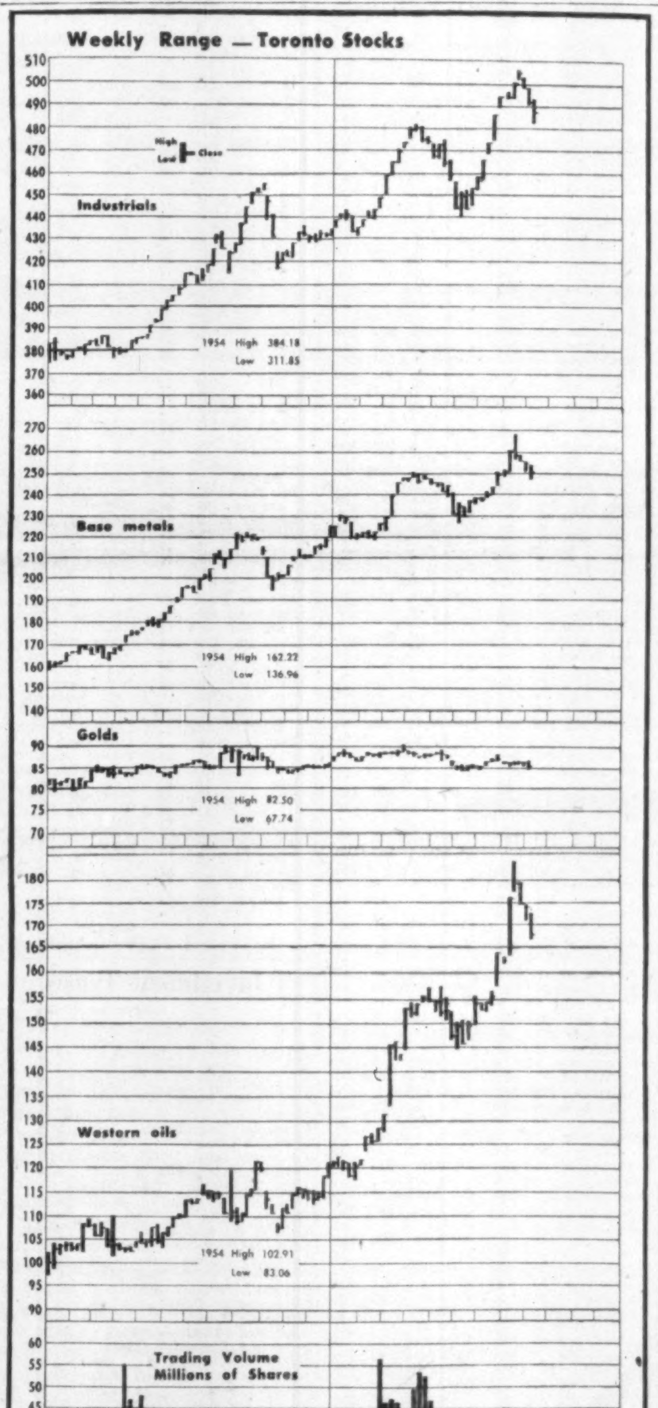
Range 1956 High	Low	Div. Rate $	Company	Sales	Last August 24	Week Ending August 31 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Range 1956 High	Low	Div. Rate $	Company	Sales	Last August 24	Week Ending August 31 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.57	.22	...	Do. B warr.	9,400	.42	.45	.42	.45
8.00	5.00	...	W. L'holds.	100	6.00	6.10	6.10	6.10
1.70	1.40	...	W. Maygill.	1,150	1.45	1.42	1.40	1.40
1.50	.70	...	W. Naco ...	5,075	1.35	1.45	1.26	1.45
.35	.15	...	Do. warr. .	5,961	.25	.25	.25	.25
.22	.08	...	W. Warner .	5,500	.12	.12	.11	.12
.68	.40	...	Wilrich	92,500	.43	.45	.40	.44
.25	.14	...	Y'ke Can. ..	7,000	.16	.15	.15	.15
1.24	.58	...	Y'ke Prin. .	44,250	1.10	1.12	1.03	1.09
.13	.06½	...	York Oils .	20,000	.10½	.12	.10½	.11½

■1 sh. Chib. Asb. for 10 shs. Que. Chib. ▲U. S. funds. ♦♦Initial. ‡Payable in 1955. †Less than board lot. ♦When sale shown nil the figures are bid, asked and latest sale. *Payable in 1956 to date.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Sept. 3 ..	......	......	......	......	......
Aug. 31 ..	777,500	2,744,000	171,767	196,248	2,420,000
Aug. 30 ..	773,500	3,184,000	189,015	180,051	2,970,000
Aug. 29 ..	753,900	3,631,000	153,750	160,480	2,390,000
Aug. 28 ..	680,000	3,315,000	255,366	111,837	2,220,000



Company Report

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies published reports are footnoted.

Food

H. J. HEINZ CO. OF CANADA, Leamington, Ont., net profit for the year ended May 2, 1956, was 15% higher than in previous year and sales increased 11%, reports parent firm, **H. J. Heinz Co.,** Pittsburgh, Penn.

Canadian Heinz began changeover to wholesaler distribution which it expects to complete in current fiscal year. Like U. S. Heinz, it will use wholesaler, group store and co-operative group services where these offer lower costs and better service for customers.

Canadian Heinz introduced 13 varieties (including nine baby foods) and five new package sizes. Other new products are in development or market-testing stages.

Growing sales required expansion of Leamington plant, where a new pickle processing department was completed. A new tin container sterilizing building was also finished.

Company sold its Wallaceburg, Ont., factory at a satisfactory price. It transferred equipment to Leamington to increase tomato-processing capacity there.

Canadian subsidiary accounted for $14 million of the $111.2 million consolidated net assets ($13.5 million of the $104.2 million in previous year).

U. S. Heinz consolidated net profit for the 53 weeks ended May 2, 1956, was 20.5% higher than for the 52 weeks ended April 27, 1955 ($10.6 million against $8.8 million). Earnings per share rose to $6.09 ($5.02). Net sales increased 12.1% to $262.4 million ($234.2 million). Net income was 4% (3.8%) of net sales.

Bond Tenders

12 Noon, Sept. 6, 1956, Government of Canada Treasury Bills — Payable Dec. 7, 1956, $135,000,000. Dated Sept. 7, 1956.

Unlisted Mines, Oils

(By Broker Dealers' Association of Ont.)

Approximate quotations, 3 p.m., Aug. 31, subject to confirmation and change. An asterisk (*) indicates an increase in price; a dagger (†) a decrease in price.

	Bid	Ask		Bid	Ask
Abenakis	2	3	C Bi Ore	47	52
Abeta	10	13	Con Cop	34	37
Advance	16	18	Conecho	7	10
Alexander	5	7	C Harper	8½	10
Ama Kir	4	6	Cordell	13	16
Anabar	5	10	Crack S	10	15
Anamaq	3½	5	Craibbe	‡14	16
Anuwon	11	13	Croydon	5	7
Arctic	2½	3½	Derlac	2	4
Atl Chib	†26	30	Despina	11	13
Bandwn	*46	48	Destrad	†7	9
Beacon	8	11	Dom Ex	9	13
Belfast	7	10	Dunvegn	*13	15
B Grass	6	8	Durham	5	7
B McDad	6	8	East Ind	4	6
Bracemq	7	10	Echo Ind	3	5
Braminc	13	18	El Bon	†31	33
Bright RL	2	3	Farcroft	*4½	6
Bruce P	*20	25	Fleetwd	8	10
Brunette	*7	9	Forty Fr	35	45
Camlaren	4	6	Gan Cop	7	9
Camp I	*41	45	Gateway	—	7
Camray	3	5	Glenbrk	11	13
Can Rad	8	12	Glencona	†6	7
Canalask	*13	15	G Harper	11	14
Canuba	†82	86	Goldmaq	5	7
Captain	3	5	Goldyke	2	3
Cn Mag	—	150	Gov Gold	5	7
Cn Alm	10	13	Grnd Chib	—	60
Capital	†72	80	Gui Por	11	13
Cayzor	†300	400	HG Yng	20	23
Cn Lith	65	70	Hornfalt	†11	13
Cn Man	9	11	Hot Min	11	13
Cnt Hill	32	35	Hucamp	10	12
Caral	†37	40	Independ	12	14
Chellew	7	10	Jardun	24	26
Chipman	*43	46	Jean Lk	*24	27
Clinger	5	8	Jerome	5	7
Clix	8	10	Kamlac	*12	14
Columbr	8	10	KB Mng	38	40
Columind	3	5	Kenda P	2	4
Comstock	8½	10	Kenog	16	18

	Bid	Ask		Bid	Ask
Laronge	20	25	Payne	2	4
Larum	10	12	Pascalis	10	12
L Expan	10	12	Peach	1100	1300
L Rnzy	*105	115	Pelangio	2	4
Lowr Can	2	3	Pickering	25	28
Lun Ec	61	64	Picton	22	25
Lynwtn	33	37	Pine P	†1250	1300
Magoma	15	20	Pitchvein	7	9
Main Ok	14	17	Plum N	50	60
Manecho	7	9	Polestar	38	42
Mall R L	8	10	Presdor	2	4
Mar Bird	*14	16	Quejo	10	12
Maree	3	5	Quest	1½	2
Mate Yell	6	8	Raglan	†65	75
McFinly	26	28	Rand M	5	7
Miles RL	2½	4	Randona	1	3
NInsco	7	10	Red Bk	8	12
New Met	17	22	Redcon	4	6
N Redwd	8	9	Rhyolite	1½	2½
New Wal	3	5	Richgrp	11	13
Nickel I	7	9	Rio T C	*330	340
Nickel O	50	70	Rugged	2	4
Nicoba	†18	21	Russet	5	6
Nipiron	21	24	Salmita	3	5
Norbeau	†110	120	Sheldon	†10	12
Norcourt	2	4	St Mary	15	20
Norford	1	3	Snow L	8	10
Normar	3	6	S Dufalt	†14	18
Novel Pr	2	3	Starlight	9	12
Obsk '45	*42	44	Sunbear	2	4
Oceanic	200	210	Th'crest	25	28
Oklend	8	10	Tower	18	22
Ont Rim	7	10	U Ridge	25	30
Orchan	18	20	Valor	25	27
Orofino	10	12	Vauz Cons	7	9
Pacemkr	8	9	Viking	13	17
McCuaig	2	4	Wadge	6	8
M Fault	80	85	Wesley	11	13
Montgr	265	275	Westall	3	5
Montco	†18	20	West RL	2½	3½
Murmac	2	3½	W Wasa	6	8
Nat Mal	*10	12	Y David	14	16
New Aug	5	7	**OILS**		
Millkirk	14	18	C Delhi	775	825
Mindust	130	145	Cn Sup	†1650	1700
Mt Keno	2	4	N Ranch	8	10
Patrd C	29	32	O Smoky	7	9
Pax new	70	90	Paig Pete	5	10

J. E. GRASETT & CO.
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244 Bay Street — — Toronto
2881 Dundas St. W. — RO. 9-1167
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200 BAY STREET TORONTO, CANADA
Telephone: Empire 8-4731
Branch Office: 75 BROCK ST. — KINGSTON, ONTARIO

DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

DIVIDEND No. 279

NOTICE is hereby given that a dividend at the rate of thirty-five cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared for the quarter ending October 31, 1956, payable at the Bank and its branches on November 1, 1956, to shareholders of record at the close of business on September 29, 1956.

By Order of the Board,
N. J. McKINNON,
General Manager

Toronto, August 30, 1956.

ROBINSON, LITTLE & COMPANY, LIMITED

WINNIPEG — MANITOBA

DIVIDEND ON COMMON

NOTICE IS HEREBY GIVEN that a dividend of Twenty (20) cents a share has been declared on the Common Stock of the Company payable on the 29th day of September, 1956 to shareholders of record at the close of busines on the 15th day of September, 1956.

By Order of the Board.
JACK L. MACDONALD,
Secretary.

Winnipeg, Manitoba
27th August, 1956.

NOTICE

ANGLO-NEWFOUNDLAND DEVELOPMENT COMPANY, LIMITED

DIVIDEND NO. 43

NOTICE is hereby given that the Second Interim Dividend in respect of the year 1956, at the rate of Fifteen cents (15c) for each Five dollar ($5.) unit of the outstanding Ordinary Stock of the Company, has been declared payable on the **Fifth day of October, 1956,** to Stockholders of record at the close of business on the **Seventh day of September, 1956.**

By Order of the Board.
J. S. GOODYEAR,
Secretary-Treasurer.

Montreal, P.Q.
August 27th, 1956.

THE ONTARIO LOAN AND DEBENTURE COMPANY

277th DIVIDEND

Notice is hereby given that a Quarterly Dividend of 25c per share on the present paid-up Capital Stock of this Company for the three months ending 30th September 1956 has been declared and the same will be paid on or after 1st October 1956 to Shareholders of record at the close of business on the 14th September, 1956.

By Order of the Board.
F. E. A. McKELLAR,
Manager.

London, Ontario,
August 28th, 1956.

DOMINION GLASS COMPANY LIMITED

Notice is hereby given that a dividend of one and three-quarters percent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of September 1956.

Notice is also hereby given that a dividend of Thirty-Five Cents (35 cents) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of September, 1956.

The above dividends will be paid on Monday, the 15th day of October 1956, to shareholders of record at the close of business Friday, the 28th day of September 1956.

By Order of the Board.
T. B. KING,
Secretary.

Montreal, 29th August, 1956.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared the following dividends:

4½% Cumulative Redeemable First Preferred Stock (Par Value $50)

No. 8, Quarterly, 57¢ per share;

6% Non-Cumulative Participating Preferred Stock (Par Value $50)

No. 117, Quarterly, 75¢ per share; payable October 15th, 1956 to holders of record at the close of business on September 20th, 1956.

No par value Common Stock

No. 59, Quarterly, 50¢ per share; payable September 29th, 1956 to holders of record at the close of business on September 5th, 1956.

V. J. NIXON,
Secretary.

Montreal, August 24th, 1956.

MACMILLAN & BLOEDEL LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that dividends in the respective amounts per share set out below, have been declared payable September 28th, 1956, to shareholders of record at the close of business September 7th, 1956, on the following outstanding shares of:

MacMILLAN & BLOEDEL LIMITED

Dividend No. 37
Class "A"—12½c per share
Dividend No. 40
Class "B"—20c per share

The Transfer Books will not be closed.

Dated at Vancouver, B.C., this 28th day of August, 1956.

By Order of the Board.
G. D. ECCOTT,
Secretary.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of Seventy-five Cents per share on the paid-up Capital Stock of the Corporation for the current quarter, and an extra Dividend of Ten Cents per share have been declared, and that both Dividends will be payable Monday, the First day of October next, to Shareholders of record at the close of business on the Fourteenth day of September 1956.

By Order of the Board.
GEO. D. LAVEROCK,
Secretary.

Toronto, August 15th, 1956.

Market Bid and Ask Quotations

Montreal & Toronto

Closing Quotations Sep. 4, 1956

Stock	Bid	Ask	Stock	Bid	Ask
xAbbican	50	54	Do wts	850	900
Abitibi	38½	38⅞	Algoma	118½	119½
Do pr	24¼	24½	Alumin	134⅞	..
Acad-Atl	9½	10	Do 1 pr	23½	24½
Do A	21¼	21⅞	Do 2 pr	48½	48½
Do pr	..	99¾	xAm-Lard	18	22
xAcad Ur	13½	14	xAm Led	99	100
xAcme G	19	21½	xAm Nep	210	220
Admiral	17	17½	xAmurex	670	710
xAdvcte	490	500	xAnacon	251	255
Agnew-S	7½	7½	xAnchor	14	15½
Do pr	9½	9½	Ang-Am E	14¼	14½
xAjax	90	93	A C P pr	51½	52
xAkaitcho	52	55	Ang-C Tel	42	..
xAlba Ex	26	28	Ang Hur	12½	12⅞
xAlta Dis	170	175	xA Ruyn	142	147
Do vt	150	155	Anth Imp	26½	27
xAP Cons	55	58	xApex R	15	16
Algom	17⅞	18	xArcadia	297	300
Do deb	94½	95	xArcan	42	51

[illegible]

Toronto Curb

Stock	Bid	Ask	Stock	Bid	Ask
Andian	6	6	Do pr	15	15½
Ang Cdn P	..	43½	D Oil Clth	33½	34½
Angl-Nfld	11	11½	Dupont	23	24
Asbestos	39½	40	Do pr	..	90
B Am Bk	35⅞	39	Gaspe Cop	50½	55
Brown	20	20½	Hayes	34½	35
xBulolo	500	515	Int Pap	124½	126
CD Sug	23½	24	Int Util	50⅞	51
Can Ving	19	19	IP Util	11½	12½
C Bronze	30	30½	Langley pr	35½	39
Do pr	102	..	Lob Inc	69⅞	72
C Cottons	7	10	MacLaren	85½	86½
Do pr	..	8	MO Pap	35½	36½
CG Inv	30½	31	Niag Wire	50½	52
C Indust	18⅞	20	Ogilvie	39½	42
CIL pr	..	95	Do pr	145	148
C Ingersl n	35	..	xPato	470	485
xC Mconi	450	460	xPend Or	360	390
CW Lumb	23	28	Price Br	68	..
C Wstghse	42½	43	Ridgeway	42	43⅞
xCoast C	800	900	Sangamo	12	13
C Paper	41⅞	42	xSW Pete	50	..
xDalhousie	20	21	Third CG I	5½	6½
DeHav	145	198	Twin City	13½	..
Dish Stl pr	24	..	Univ Pr n	20⅞	20½
D Bridge	21½	22	xYukon C	64	65
D Glass	48½	48½	Zeller's	25	25

xQuoted in cents.

Canadian Stock Exchange

Stock	Bid	Ask.	Stock	Bid	Ask.
Beaubran	31	32½	Un Amus A	8	..
Beld Cort	6	9	Do B	7	..
Do pfd	10	12	Do VT A	8	..
Belg'm Strs	9	..	Un Dist	11½	12
Do pfd	15½	..	Waterman	..	9
B'fly Hos	150	250	Wilson, JC	8	..
C Floor B	..	18	Windsr Htl	38½	44
Cdn Arena	96	..	Wood Mfg	47	..
Cdn P & P	7½	..	**MINES**		
Cdn Silk A	375	400	Alta	10½	11
Catelli A	25	27	Amer'n'm	18	18½
Do B	38½	..	Arno	14	16
Cinzano A	45	..	Band-Ore	10	11
Do 5½% pf	83	..	Barvallee	15	..
Claude N A	5½	8	Beatrice	12½	..
Do B	6½	8	Bellechass	73	83
Do pfd	72	78	Boreal R	26	30
Corr DivA	165	..	Bouzan	225	235
Do. pf.	37	..	Calumet U	10	12
Crain RL	22½	..	Cdn Lith	65	70
Dav & F A	51½	55	Carnegie	23½	..
Dom Engr	23¾	24	Cartier-Mal	8	9
E Koot	80	90	Celta	8½	..
For Pr Sec	50	52	Cen Man	9½	11
Freiman 4½% pfd	92	..	Cortez Ex	12½	13½
Horner A	10½	..	Duvan	81	..
Htl La Sal	21	..	E Smelt	600	630
Hubb Flt	115	160	Fab Metals	23	28
Do A	..	20	Fontana	14½	16
Hydro El	10½	10½	Gui-P Ur	11	12
Int PaintsA	7½	..	Hud-Rand	38	39
Do pfd	..	23	Iso Uran	23½	24
Inv Found	43½	50	Jardun	20½	23
Do pfd	59	60½	Kontiki Ld	..	17
Lamber A	13½	14	Lingside C	15	18
Do B	15½	..	Mogador	..	89
Latonia In	18½	19⅞	Molyb'nit	118	120
Lochab A	10	..	Monpas	7½	9
Do B	250	..	N Formaq	47	48
London Can	8	..	N Lafay'te	40	42
Mclaren P	84	85	N Pacific	180	186
Melchs D	400	500	N S'tiago	13	13½
Do pfd	11⅞	12½	N Vinray	11	12½
Mica Co	275	300	Nocana	10	..
Mtl Refrig	36	..	Obalski	46	47
Mt Roy Ri	13	..	Orchan Ur	18½	..
Nfld L&Pr	45	48	Pitt	17½	18
Pac Atlan	360	..	Por Prim	15	16
Paton Mfg	..	9½	Que Smelt	82	85
Do pf 7%	22½	..	Red Crest	28½	29
Paul Ser St	6	..	Soma-Duv	10	13
Pr Crp 1st	..	47	Tazin	13	14
Do 2nd	..	71	Tiblemont	50	60
Que-Tel	16	20	Trebor	50	52
Reitman's	17	19	Valor Lith	26	30
R Chains	17⅞	18	Virg Min	242	245
Sangamo	12	13	Wendell	7½	8
S Can pfd	135	138	Westville	30	32
Stand Clay	10	..	**OILS**		
Stowell A	..	18	Altex	30	32
Tooke Br	75	110	Bonn'lie	50	52
Do pfd	150	175	Emp Oil	36	39
			Gaspe	20½	23
			Gateway	28	..
			Phillips	145	150
			Quebec	11	12
			Westburne	96	100

Investment Trusts

	Divd. pd. cents ▲	Bid $	Ask $
All-Can. Com. Fd.	10.62(20.5♦)	5.58	6.07
All-Can. Div. Fund	16(17.25)	5.17	5.62
Balanced Mut.	13(15)	5.22	5.74
Can. Invest. Fund	27(34)	9.47	10.39
Canafund	70(110)	37.44	39.31
Champion Mut. Fund	9½	5.65	6.20
C'wealth Inter.	18(28)	8.36	9.19
Corporate Inv.	23(26)	9.20	10.00
Diversified Inc. Shs. B	13(12)	4.25	4.60
Dom. Equity Inv.	15+15(42)	...	...
Grouped Inc. (new)	5■(10)	4.09	4.47
Growth Mines		4.78	5.02
Growth Oil & Gas		8.07	8.48
Investors Mut.	21(30)	10.65	11.51
Leverage Fund	18(20)	6.03	6.63
Mut. Acc. F.	13.07(23.53)	6.87	7.46
Mutual Income	19.37(23.42)	5.50	5.97
Resources of Can.	(6)	8.17	...
Sup'vised Amer.	8(21)	6.42	6.48
Sup'vised Executive (1955)	..	37.30	...
Sup'vised Executive (1956)	..	...	...
Sup'vised Gr'th Fund	(4■)	2.56	2.59
Sup'vised Inc. Fund	9(22)	4.52	4.57
Timed Invest.	5(20)	†5.35	*5.35
Trans-Can. A	48.4(83)	30.00	...
Do. B	47.6(96.6)	32.50	...
Do. C	3.8(19)	6.50	6.90

†Less or (*) plus stock exchange commission.
▲Paid or payable in 1956 total paid in 1955 in parentheses.
■Plus stock divd.
♦Reinvested.

Stock Redemptions

Company	Rate	Date	Price
▲McColl Frontenac Oil pfd shs.	4%	Sep. 30	$102.50

▲—20,0000 shs.

Corporation Bonds

(Supplied by Investment Dealers Assn. of Canada)
September 4, 1956

Public Utility Issues	Int. Rate %	Due	Bid	Ask	Prev. Week Bid
Alg. Cen. H.B.R.	5	'59	149	152	149
Bell Telephone	3	'77	82	86	82
Do.	3½	'79	92	95	92
Bowater Pr. Co.	3½	'80	89	92	89
Brazilian Traction L. & P.	4½	'70	83	86	83
B. C. Electric	3½	'67	90	93	90
Do.	3½	'75	90	93	90
Do.	3½	'80	90	93	90
Do.	4½	'79	100	103	100
B. C. Telephone	4½	'75	98	101	98
Calgary Power	3½	'72	92	...	92
Consumers' Gas	4½	'74	99	102	99
Gatineau Pr. D	3½	'70	91½	94½	91½
Gt. Lakes Pwr.	4½	'75	93	96	93
Maclaren-Quebec Power	3	'69	89	92	89
Mex. Lt. & Pwr.	5	'75	88½	91½	88½
Nat. Lt. & Pwr.	4½	'61	96	99	96
North. Que. Pr.	4½	'67	93	96	93
Power Corp.	3½	'67	88	91	88
Quebec Power	3	'62	93½	96½	93½
St. Maurice Pr.	3½	'70	92	95	92
Shaw. W. & Pr.	3	'71	85	88	86
Do.	3½	'73	93	96	93
Wpg. Electric	3½	'71	93	96	93
Industrial Issues:					
Abitibi Pr., P.	4	'74	95½	98½	95½
Acadia-Atlantic Sugar	4	'74	91	94	91
Alum. Co. of C.	4½	'73	99½	102½	99½
Bathurst P. & P.	5½	'73	98	101	98
B. A. Oil	3½	'74	91	94	91
Burns & Co.	4	'63	97	100	98
Can. Bread	4½	'67	93	96	93
Can. Cement	3½	'75	93	96	93
Can. Steamship	4	'66	97	100	97
Cdn. Breweries	4½	'79	98	101	98
Cdn. Canners	3½	'75	90½	93½	90½
Cdn. Celanese	3	'62	90	93	90
Cdn. Chem. Co.	5½	'71	96	99	96
Can. Industries (1954) Ltd.	3½	'74	93	96	93
Can. Oil	5	'72	93	96	93
CPR	3½	'72	92	95	92
Can. West. Lum.	4	'62	98	101	98
Cockshutt Plow	4½	'65	87	90	87
Columbia Cell.	5	'68	96½	99½	96½
Dom. Fd. & Stl.	4½	'69	98	101	98
Dom. Stores	4½	'75	96	99	96
Dom. Tar & Ch.	5	'67	98	101	98
Dryden Paper	4½	'74	97	100	97
T. Eaton Acc.	4½	'74	97	100	97
E. B. Eddy	4	'74	89	92	89
Elk Falls Co.	5	'75	95½	98½	95½
Gen. Mot. Acc.	4	'64	97	100	97
Gunnar Mines	5	'60	99	102	99
H. Bay O. & G.	4	'75	92	95	92
Husky Oil	5	'69	90	93	90
Imp. Tobacco	3	'70	88½	91½	88½
Imp. Oil	3½	'75	93	96	93
Indust. Accept.	5½	'75	99½	102½	99½
Irving Oil Co.	5½	'67	97	100	97
Loblaw Groc.	4½	'73	92	95	92
Maple L. M.	3½	'63	91	94	91
Massey-Harris	5	'67	98	101	98
Monarch Knit.	4½	'71	73	76	73
N. S. Stl., Coal	3½	'63	94	97	94
•Ont. Jockey Cl.	5½	'72	87	90	87
Price Bros.	3½	'66	93	96	93
Pronto Uranium	5	'60	97	100	97
St. Law. Corp.	5	'72	100	103	100
Silverwood Dair.	4	'71	94	97	94
Simpsons Ltd.	4½	'73	99	102	99
Simpsons-Sears	4½	'79	100	103	100
Steel Co.	2½	'67	90	93	90
Traders Finance	5½	'69	96	99	96
Union Accept.	5½	'68	97	100	97
Un. Grain. Gr.	3½	'70	89	92	89
Weston, Geo.	4½	'68	98	101	98

•Ex. warrants.

CONVERTIBLE ISSUES

Issue	Int. Rate %	Due	Bid	Ask	Prev. Week Bid
Ajax Pete.	5	'62	89	92	89
Anglo Am. Exp.	5½	'75	100	103	100
Atlas Steels Ltd.	5	'67	124	127	124
Braz. Traction	4½	'71	81½	84½	81½
Can. So. Oils	5	'61	85	89	82
CPR	3½	'66	104	106	104
Do.	4	'69	109	112	109
Cdn. Petrofina	4	'72	129	132	132
Cent. Leduc	5	'65	92½	96½	92½
Cockshutt Farm	5	'68	89	92	89
Dom. Steel & C.	4½	'70	122	125	124
Dom. Textile	4	'66	92	95	92
Jupiter Oils	5	'67	85	95	85
Kroy Oils Ltd.	5	'67	97	100	97
N. Concord Dev.	5½	'65	91	96	91
N. Sup. Oils	5	'64	88	94	88
Pathfinder Pete.	3-5	'62	83	86	83
Phillips Elec.	5½	'70	106	112	108
Scurry Oils	5	'64	87	92	87
Silverwood Dair	5½	'72	109	114	109
Trad. Finance	4½	'69	117	122	117
Trans Emp. Oil	5½	'67	98	...	98

Record of Financing

Sales by Municipalities, Provincial and Dominion Governments, Offerings of Corporation and Foreign Securities.

MUNICIPAL

District of Barrington, N.S. — 4¼% and 4½% debentures, due July 1, 1957-66-73, $100,000. Issued June 19, 1956. Sold at $99.15 to Dominion Securities Corpn. Limited.

School Commission of Marieville, Que. — 4% and 4½% debentures, due Sept. 1, 1957-66-76, $125,000. Issued Aug. 16, 1956. Sold at $97.92 to Desjardins, Couture, Inc.

School Commission of City of St. Jerome, Que. — 4¼% and 4½% debentures, due July 1, 1957-66-76, $330,000. Issued June 16, 1956. Sold at $97.18 to La Cie de Valeurs en Placement, Ltee.

School Commission of Town of Chicoutimi North, Que. — 4% and 4½% debentures, due May 1, 1957-61-76, $260,000. Issued June 20, 1956. Sold at $94.51 to La Corporation de prets de Quebec, J. E. Laflamme Ltee., Grenier, Ruel & Cie Inc., Garneau, Boulanger Ltee. and Florido Matteau.

School Commission of St. Wilfrid-de-Barnston, Que. — 4% and 4½% debentures, due Sept. 1, 1957-66-76, $52,000. Issued June 20, 1956. Sold at $95.904 to Belanger, Inc.

Parish of St. Alexis-de-Matapedia, Que. — 4½% debentures, due July 1, 1957-76, $33,000. Issued June 21, 1956. Sold at $96.00 to Garneau, Boulanger, Ltee.

Town of Exeter, Ontario — 4¾% debentures, due Dec. 15, 1957-71, $137,000. Issued Aug. 21, 1956. Sold at $97.772 to Dominion Securities Corpn. Limited.

CORPORATE

Traders Finance Corporation Limited — 5% sinking fund debentures, due Sept. 15, 1972, $5,000,000. Dated Sept. 15, 1965. Offered at $100.00 and accrued interest to yield 5% by McLeod, Young, Weir & Company Limited, Nesbitt, Thomson and Company, Limited, Dominion Securities Corpn. Limited and James Richardson & Sons.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$21.50	$21.50	$19.50
Hogs	26.75	26.61	27.63
Copper, lb.	.39	.39	.40
Sugar, raw, lb.	.0557	.0557	.0552
Coffee, lb.	.60½	.60¼	.56¼
Hides	.15½	.15½	.13
Weekly Commodity Indices			
Dow Jones	164.66	160.36	152.30
U. S. Labor	114.6	114.6	110.5
Monthly Commodity Indices			
Canada (D.B.S.)			
Retail (July)†	118.5	117.8	116.0
W'sale (June)	226.5	225.3	218.7
C. F'm Pro. (June)	217.2	207.7	219.7
U. S. (May)	114.3	■113.6	110.9
Gt. Brit. (May)*	155.8	154.9	....

Note: †Cost-of-Living Index revised to the Base of 1949=100.

Base of price quotations is as follows: Cattle-Steers, good up to 1,000 lb., to price Toronto. Copper-electrotypes, New York. Coffee No 4 Santos. Spot Raw Sugar 96 degrees centrifugal c.i.f.

■Revised.
*Gt. Brit. Index revised.
Base year 1949.

Grain Prices

Winnipeg Futures

Week to Aug. 31, 1956

Crop Year from Aug. 8, 1956 High	Low		High for week	Low for week	Close Aug. 31
		Oats—			
.83	.79½	Oct.	.80½	.79½	.80½
.79½	.79⅞	Dec.	.78½	.76½	.78½
.79¾	.76½	May	.78½	.76½	.78
		Barley—			
1.08½	1.03⅞	Oct.	1.06½	1.03⅞	1.06½
1.03⅞	1.00½	Dec.	1.03	1.00½	1.03
1.03½	1.00½	May	1.03½	1.00½	1.03½
		Rye—			
1.36½	1.21⅞	Oct.	1.33⅞	1.26⅞	1.33
1.36½	1.21½	Dec.	1.33	1.26⅞	1.32½
1.40⅞	1.25	May	1.37½	1.30⅞	1.36⅞
		Flax—			
3.35	3.07½	Oct.	3.18½	3.07½	3.18½
3.04½	2.80⅞	Dec.	2.91	2.80⅞	2.89½
3.03½	2.80	May	2.91½	2.80	2.88½

Winnipeg Cash

	For Week Sept. 3 High	Low	Prev. week High	Low
Oats—				
2 C. W.	.84	.82⅞	.84	.83½
3 C. W.	.78⅞	.77⅞	.78½	.77⅞
Barley—				
1 Feed	1.04	1.01½	1.03½	1.02½
2 Feed	1.02⅞	1.00⅞	1.08	1.01½
1 Malt	1.18½	1.15⅞	1.17⅞	1.16½
Rye—				
1 C. W.	1.31⅞	1.27½	1.32½	1.25½
2 C. W.	1.31⅞	1.27½	1.32½	1.25½

Chicago Futures

Week to Aug. 31, 1956

Crop Year from Aug. 8, 1956 High	Low		High for week	Low for week	Close Aug. 31
		Wheat—			
2.21⅞	2.13⅞	Sept.	2.21½	2.17	2.21½
2.27½	2.18½	Dec.	2.27½	2.23½	2.26⅞
2.32	2.21⅞	Mar.	2.32	2.27½	2.31¾
2.31½	2.20	May	2.31½	2.26	2.30⅞
2.27	2.12½	July	2.27	2.19⅞	2.26⅞
		Corn—			
1.52½	1.42⅞	Sept.	1.48⅞	1.42⅞	1.47⅞
1.44	1.36⅞	Dec.	1.39½	1.36⅞	1.38½
1.48⅞	1.41½	Mar.	1.44	1.41½	1.43½
1.51½	1.44⅞	May	1.47⅞	1.44⅞	1.46⅞
1.52⅞	1.46⅞	July	1.49⅞	1.46⅞	1.49½
		Oats—			
.76½	.71½	Sept.	.73	.71½	.72⅞
.78⅞	.75	Dec.	.76⅞	.75	.76⅞
.79½	.76½	Mar.	.78½	.76½	.78½
.78½	.76½	May	.78½	.76½	.78⅞
.76	.73½	July	.76	.73⅞	.76
		Rye—			
1.49	1.33½	Sept.	1.47½	1.41½	1.46½
1.52½	1.37⅞	Dec.	1.51½	1.45½	1.50½
1.56⅞	1.40½	Mar.	1.55	1.49	1.54
1.55⅞	1.41	May	1.54⅞	1.48⅞	1.54
		Soybeans—			
		Sept.	2.38½	2.33½	2.36½
		Nov.	2.37	2.33½	2.34⅞
		Jan.	2.40½	2.36½	2.38
		Mar.	2.43	2.39½	2.40⅞
		May	2.45½	2.41½	2.43

Chicago Cash

	For Week Aug. 31 High	Low	Prev. week High	Low
Corn—				
2 Yell.	1.54½	1.54½	1.58	1.58
Oats—				
1 H. W.	.74½	.73½	.76½	.74

DIVIDEND NOTICES

STANDARD PAVING & MATERIALS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of 37½ cents per share has been declared payable October 1st, 1956 to shareholders of record at the close of business on September 14th, 1956.

JAMES CARNWATH,
Secretary.

Toronto, Ontario, August 30th, 1956.

Fawcett ENAMEL & HEATING PRODUCTS LIMITED

Dividend Notice

Notice is hereby given that a dividend of .10c per share has been declared on the issued and outstanding Class A capital stock of the Company, payable on October 31, 1956, to shareholders of record at the close of business, Sept. 29, 1956.

By order of the Board of Directors.
A. R. FRENCH,
Secretary-Treasurer.

Sackville, N.B.
August 29th, 1956.

BIRD CONSTRUCTION COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of Sixty (60c) cents per share as previously declared on the Company's outstanding Common Shares, will be paid on September 29th, 1956 to Shareholders of record on the books of the Company as at the close of business September 15th, 1956.

By Order of the Board.
JOHN LAWRIE,
Secretary-Treasurer.

Winnipeg, Manitoba,
August 31st, 1956.

WESTERN GROCERS LIMITED

NOTICE OF DIVIDEND

Notice is hereby given that the following Dividends have been declared payable October 15th, 1956, to Shareholders of record September 15th, 1956:

Thirty-five Cents per Share on the Preferred Shares $20 Par $1.40 Series:
Fifty Cents per Share on the Class A Shares.

H. L. JORDAN,
Secretary.

Winnipeg, Man.,
August 31st, 1956.

THE CALGARY & EDMONTON CORPORATION LIMITED

Notice is hereby given that a dividend of five cents per share was declared on the 31st day of August, 1956, payable on the 15th day of October, 1956 to shareholders of record at the close of business on the 14th day of September, 1956.

BY ORDER OF THE BOARD,
Chas. E. Reece, Secretary.

Dated at Winnipeg, Manitoba this 31st day of August, 1956.

THE B. GREENING WIRE COMPANY LIMITED

COMMON DIVIDEND NO. 77

NOTICE IS HEREBY GIVEN THAT at a meeting of the Directors of The B. Greening Wire Company, Limited, held in Hamilton on August 29th, 1956, a dividend of Five Cents per share on the Common Shares of the Company was declared payable October 1st, 1956, to Shareholders of record September 15th, 1956. At the same meeting an extra dividend of Ten Cents per share on the Common Shares of the Company was also declared payable October 1st, 1956, to shareholders of record September 15th, 1956.

By Order of the Board,
A. M. DOUDA,
Secretary.

Hamilton, Ontario,
August 30th, 1956.

ROYALITE OIL COMPANY, LIMITED

NOTICE OF DIVIDEND PREFERRED STOCK

NOTICE is hereby given that Preferred Dividend No. 8 in the amount of 32.8125 cents per share has been declared on all the issued and fully paid 5¼% First Series Preferred Shares of the Company, payable October 1st, 1956, to the holders of such shares at the close of business on Friday, the 14th of September, 1956.

By Order of the Board.
K. S. C. MULHALL,
Secretary-Treasurer.

Calgary, Alberta,
July 27, 1956.

PHILLIPS ELECTRICAL COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that the Board of Directors of the Company has declared a dividend of twelve and one-half cents (12½c) per share on the outstanding capital stock of the company for the quarter ending September 30, 1956, payable September 29, 1956, to Shareholders of record September 22, 1956.

By Order of the Board.
GEOFFREY PURDY,
Secretary.

BROCKVILLE, August 30, 1956.

K. A. POWELL (CANADA) LTD.

GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES

Owners and Operators
Fort William Terminal Elevator Co. Ltd.
and Powell Transports Ltd.

Head Office—563 Grain Exchange, Winnipeg, Man.
Affiliated Companies—Fort William, Ont., Montreal, Que., Vancouver, B.C.

N. M. PATERSON & SONS LIMITED

Grain Division
Grain & Coal Merchant
Steamship Division
Carriers of All Bulk Cargoes

Fort William, Ont. Winnipeg, Man. Montreal, P.Q.

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED

Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur

Grain Commission Merchants — Shippers and Handlers of All Grains

Head Office: WINNIPEG, CANADA

NORRIS GRAIN COMPANY LIMITED

Grain Merchants, Shippers and Exporters
709 Grain Exchange, Winnipeg

NEW YORK CHICAGO KANSAS CITY TOLEDO ST. LOUIS
BALTIMORE MINNEAPOLIS DULUTH LONDON LIVERPOOL

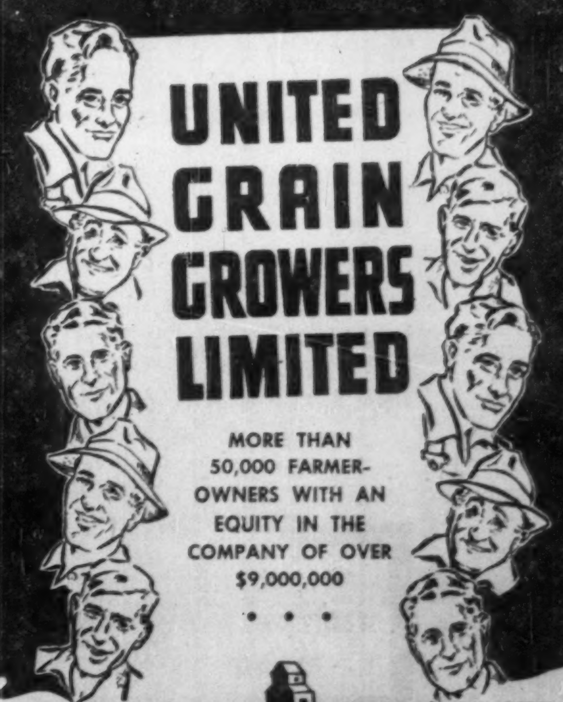
McCabe Grain Company Limited

WINNIPEG, CANADA

LONDON, ENGLAND VANCOUVER

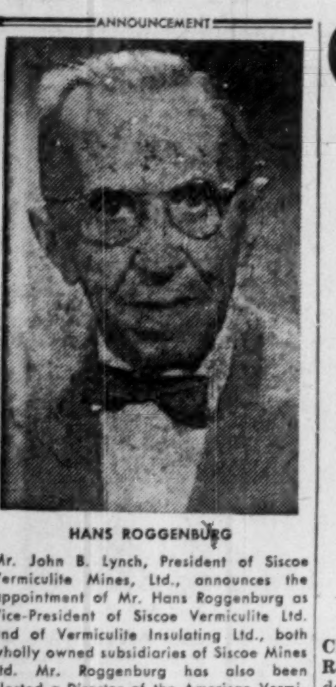
JAMES RICHARDSON & SONS
LIMITED
GRAIN MERCHANTS
SHIPPERS AND EXPORTERS

HEAD OFFICE WINNIPEG MANITOBA — BRANCHES THROUGHOUT CANADA



UNITED GRAIN GROWERS LTD.
CALGARY — REGINA — WINNIPEG — SASKATOON — EDMONTON

ANNOUNCEMENT



HANS ROGGENBURG

Mr. John B. Lynch, President of Siscoe Vermiculite Mines, Ltd., announces the appointment of Mr. Hans Roggenburg as Vice-President of Siscoe Vermiculite Ltd. and of Vermiculite Insulating Ltd., both wholly owned subsidiaries of Siscoe Mines Ltd. Mr. Roggenburg has also been elected a Director of the American Vermiculite Association.

Combined Operations At Chibougamau

New Royran, Copper Cliff In $40 Million Merger Deal

Two of the major companies operating in fast-growing Chibougamau copper mining camp are merging. They are **New Royran** and **Copper Cliff** which will become **Copper Rand Chibougamau Mines.**

The merger will make the combined operations potentially one of the largest copper producers in Canada.

Much development work remains to be done, but the over-all mine-milling project could run to $40 million.

Basis of the merger is one share of Copper Rand for each two shares of Copper Cliff and 21 shares of Copper Rand for every 40 New Royran shares.

Here is a full report on this plan which is outlined on page 1.

The consolidation of **Copper Cliff** and **New Royran** in **Copper Rand** will pave the way for development and mining on a combined basis of three ore bodies already indicated on the 18 square miles to be held in the Chibougamau copper camp.

Besides promising to develop into one of the largest copper producers in Canada, milling 7,500 to 10,000 tons daily, the combined operations would mean:

—Economies in operation and in development of the vast properties.

—A direct interest for Copper Cliff and New Royran shareholders in Copper Rand which so far is not a public company but is owned by Copper Cliff and New Royran.

The 7,500 to 10,000 ton daily mill being planned would handle ore of **Chibougamau Jaculet Mines** which already has outlined two ore bodies and has a third area of high promise. In addition, the new Copper Rand will have extensive acreage which holds out major promise of indicating further ore bodies than the three currently being worked on.

With considerable development work still ahead, Copper Rand properties are not expected to be at the mining stage for another 18 months. And while efforts are being directed at proving up existing ore zones underground and getting into production, an aggressive exploration program will be carried out to explore extensions and other possible zones on the 11,650 acres.

Efforts at reducing costs include extension of the new railway line to Chibougamau to the proposed Copper Rand mill site at Machin Point. By the end of 1956, the Copper Rand property will have hydro-electric power and a new highway.

In addition, it is planned to use a new low-cost metallurgical process that would make possible profitable mining of ore with a copper content as low as ¾%.

Behind The Plan

Behind the merger plan which overrides the previous linking of part of the interests of the two companies in Copper Rand — which was to be owned 55% by New Royran and 45% by Copper Cliff — was this major development:

—An amendment to the Income Tax Act in the recent session of Parliament which allows deductions of pre-production development expenses incurred by a company which is taken over for shares by a second company.

This means:

—Copper Rand should be able to deduct from future income a large part of the prospecting, exploration and development expenses already made by Copper Cliff and New Royran. These deductions would be for income tax purposes.

After reviewing the original arrangement calling for formation of Copper Rand and financing of the pooled properties by the two parent organizations, directors of the companies decided to go all the way and merge completely.

Mechanics of the merger call for sale of Copper Cliff and New Royran assets to Copper Rand. Copper Rand will also take over all the liabilities and obligations of the two companies.

In turn, Copper Rand will give New Royran 21 of its shares for every 40 New Royran and will give Copper Cliff 20 shares for every 40 shares of Copper Cliff. These shares would be distributed to shareholders of the two companies on the same basis.

In the case of New Royran, no fractional shares will be issued. The financing group will buy the fractional shares at the rate of $10 a Copper Rand share and proceeds will be paid to shareholders who might otherwise receive fractions.

These Copper Rand shares will be traded on the Toronto Stock Exchange and the Canadian Stock Exchange (replacing Copper Cliff and New Royran) and directors are considering applying for listing on the American Stock Exchange.

It is expected that the proposed distribution of Copper Rand shares will not mean any liability for income tax.

If shareholders of the two companies approve the sale and merger at special meetings on Sept. 18, and the deal is consummated:

—Copper Rand will have issued 4,918,437 shares. (There were 4,795,006 New Royran shares outstanding and 4,676,117 Copper Cliff outstanding at last report.)

—Copper Rand will have more than $4 million cash and its investments in more than a million shares of Chibougamau Jaculet and 84,000 Eastern Mining will have a combined current market value of about $6 million.

—Copper Rand properties will cover more than three miles of main ore zone where 10,000 tons of copper ore per vertical foot of about 2% grade has been indicated by drilling to 500 ft. Several holes completed to 1,000 ft. have proven vertical continuity of the ore and hole R-79, completed recently, intersected 30 ft. averaging 3% copper. This hole indicates improvement in grade may be expected at depth, say officials.

This ore zone which might extend 4½ miles on Copper Rand has been only partially explored for half its length. Extension under Lake Chibougamau and to the east has been indicated by drilling 5,000 ft. east of No. 2 shaft. Drilling is planned from the ice next winter to test extensions.

Two production-size shafts have been sunk adjacent to the main ore zone to 600 ft. depth and levels established at 275, 400 and 525 ft. These shafts will be sunk to 1,000 ft. to open additional levels about the end of the year. The No. 1 and No. 2 shafts will be connected at 1,000 ft. horizon to explore the zone and for tramming ore from No. 1 shaft to the proposed mill site near No. 2 shaft. A parallel zone indicated by limited surface drilling about 2,000 ft. north of No. 1 shaft will be explored later by crosscuts.

A third shaft, suitable for production, is under way on the northeast peninsula of Merrill Island to explore and open up a zone indicated by drilling. This zone appears to have a length of about 3,000 ft. on the new Copper Rand property. This shaft to be sunk to 650 ft. will also explore parallel zones under the lake indicated by geophysical survey.

Also, an extension of the Quebec Chibougamau zone under the lake indicated by shallow drilling about 5,000 ft. north of this third shaft will be explored along with intervening parallel zones. In addition, the company reports shallow holes west of the boundary with Campbell Chibougamau indicate a westerly extension on to proposed Copper Rand property.

It is emphasized that only a small portion of the combined holdings in the new Copper Rand have been explored so far and officials intend to step up exploration.

Directors of Copper Cliff and New Royran unanimously approve the proposed sale of their companies to Copper Rand under the revised agreement.

"If the proposed sale is approved, you will become a shareholder in a large enterprise, adequately financed, ably managed and potentially one of the largest copper mines in Canada," a letter to shareholders says.

ELITE COBALT MINES LTD. reports that exploration work has begun on its property, a former producing section of the Cobalt silver camp. Drilling will test two calcite-cobalt veins and a showing of disseminated galena in chlorite schist. Franc R. Joubin & Associate is managing the property.

ABITIBI POWER & PAPER CO. redeemed an additional 8,400 4½% preferred shares between Aug. 3 and 27. Now 535,225 4½% preferred shares outstanding.

108% PROFIT in 6 WEEKS

What did

CANADIAN MARKET LETTER

say about

EL PEN REY

Letter #565 (July 20/56) said SELL SHORT ABOVE ... $1.00
Letter #568 (Aug. 10/56) said SELL SHORT OVER .... .70
Low Aug. 29 & 30 .46

Excerpts from Letters:
No. 565 "The stock sold up to $1.20 on Wednesday which would appear to be the 'death gasp.' Average your short position by selling over $1.00.
No. 567 "May sell back to 70c-75c before continuing its downward spiral."
No. 568 "Has revived somewhat from its low of 61c to sell at over 70c where it is still considered a good 'Short.' There is nothing to support this market either in the form of drill news or sponsoring and all I can see for it is a still further decline."

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Cdn. Mineral Production Up In Half

Mineral production continued to reach new peaks in the first half of 1956, increasing the importance of Canada as a major world producer of vital metals.

Increased output of copper, nickel, silver and zinc was reported by **Dominion Bureau of Statistics** for the six months ending June 30. Production of lead dropped in the first half.

All metals but nickel recorded increases for June.

Copper output was 174,568 tons in the six-month period compared with 156,721 in 1955. Nickel showed a slight rise to 89,612 tons from 88,502.

Output of silver rose slightly to 13,588,811 oz. from 13,558,065 oz. and zinc increased to 215,640 tons from 210,870. Lead, the sole loser, dipped to 92,367 tons from 105,587 tons.

ANNOUNCEMENT

J. W. TOMLINSON

Ralph K. Farris, President of Northern Ontario Natural Gas Co. has announced the appointment of J. W. Tomlinson, B.Sc., as Vice-President and Chief Engineer.

Northern Ontario and its affiliate Twin City Gas have franchises covering 30 municipalities in northern and northwestern Ontario, extending from Kenora to Orillia, in addition to large contracts with industy.

As the company now enters the stage of development in the field, Mr. Tomlinson will be responsible for direction of design and construction of the local distribution systems.

An engineer with more than 25 years' experience in the gas and utility fields, he was General Manager of the Saskatchewan Power Corporation for 5 years and Vice-Chairman of the Advisory Committee on Natural Gas to the Saskatchewan Government. During his term as head of the Corporation, natural gas was introduced in the province by it.

He has been manager of industrial sales for Northern Ontario, joining the company from Trans-Canada Pipe Lines, where he had been assistant sales manager.

As Chief Engineer he will continue to deal with industrial sales, rates and measurement.

To The Unregistered Shareholders Of

THORNCREST EXPLORATIONS LIMITED

Reports by the Company's Engineer of the progress of the Diamond Drilling of Hole No. 1, located on the easterly portion of the Company's claims in Township 149, Blind River Uranium Basin, Sudbury Mining Division, Ontario, are being mailed weekly to registered shareholders. The drill has now reached a depth of approximately 3,900 feet.

Persons holding share certificates of Thorncrest Explorations Limited registered in names other than their own, who desire to receive the engineer's reports promptly should have their shares registered in their own names by forwarding their certificates to the Company's Transfer Agent, The GUARANTY TRUST COMPANY OF CANADA, 70 Richmond Street West, Toronto, Canada.

THORNCREST EXPLORATIONS LIMITED
Suite 1407 — 372 Bay Street
Toronto, Canada

What did . . .

"Stock Market News & Comment"

say about

NICKEL RIM? ATLAS STEEL?
ARCADIA NICKEL?

EXTRACTS FROM MARKET LETTER No. 764 (May 24, 1956)
"On the announcement that the U.S. was lifting its nickel requirements for the next five years to a point exceeding current supply, the outlook for nickel companies looks very attractive. Recommended in this category are NICKEL RIM ($3.05), NORPAX ($1.12), NORTH RANKIN ($1.17), ARCADIA ($1.85) and EASTERN SMELTING & REFINING ($6.25).
". . . on a price earnings ratio the shares of ATLAS STEEL seem to be underpriced at their current market of 24. This leading tool and specialty steels producer earned $1.20 in the first quarter of 1956 vs. 48c in the comparable 1955 period with working capital improving to $11,600,000 from $10,300,000 at the end of 1955. I hear April earnings were at a new record rate, indicating a net in the neighbourhood of $5.00 for 1956. The Company will be the sole fabricator of titanium in Canada receiving titanium sponge from UNION CARBIDE for conversion into ingots and rolled sheets. (Titanium metal is widely used in the aircraft industry). Also, seamless pipe will be produced to help meet the demands of the growing gas and oil pipeline industry. With only 835,025 of its 2 million common shares outstanding and interest on its $6.339 millions of funded debt being earned 12.6 times (1955), **the stock is recommended for both near and long term appreciation."**

EXTRACT FROM MARKET LETTER No. 768 (June 21, 1956)
"Among the nickel stocks, NICKEL RIM has sold up to $4.90, (in Letter No. 765 I said, 'I believe the stock can sell at $5.00') and it looks like that objective will be quickly reached. This stock can eventually sell much higher with $10.00 by next year not an unreasonable target."

EXTRACT FROM MARKET LETTER No. 774 (August 9, 1956)
"In addition to good copper and nickel values now being encountered in drifting at ARCADIA NICKEL, platinum values in significant amount promise added income for this coming producer. **Further advance to over $3.00 is predicted."**

High Following Recommendation of NICKEL RIM ... $ 5.00!
High Following Recommendation of ARCADIA NICKEL $ 3.25!
High Following Recommendation of ATLAS STEEL .. $34.25!

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Mine, Oil Output Changes Face Of Sask. Economy

Mining and oil production is changing the economy of Saskatchewan.

Labor Minister C. C. Williams recently predicted an output of $300 million a year by 1960 for the prairie province. Crude oil production this year should reach more than 18 million bbls., he said.

An expenditure of $8 million in oil search in 1950 has mushroomed into an exploration drive which may reach $90 million this year.

Study Changes In Staking Rules

Staking regulations in the Northwest Territories are up for overhaul by federal authorities.

Under consideration is a change to permit prospectors to stake 18 claims without having 12 of them staked for two additional persons. The present rule is causing administrative troubles and is without purpose, government officials believe.

There may also be a rewriting of the regulation which requires work be done at least once every 10 years to hold newly staked claims. On some claims, work has been done to pay rent for 100 years, but when companies became defunct the property was tied up, restricting development.

Company Report

SHEEP CREEK MINES had a net profit and surplus of $368,693 in the year ended May 31, 1956, up from $202,368 in the previous year.

Value of concentrates produced increased to $1,188,039 from $872,255. Chief difficulty encountered during the year was a shortage of mine help, J. R. Pyper, president, says.

Ore reserves totaled $347,105 tons at June 1, compared with 401,500 tons at the end of the previous year. Reduction is the result of pushing seven-level crosscutting and raising at the expense of exploration development.

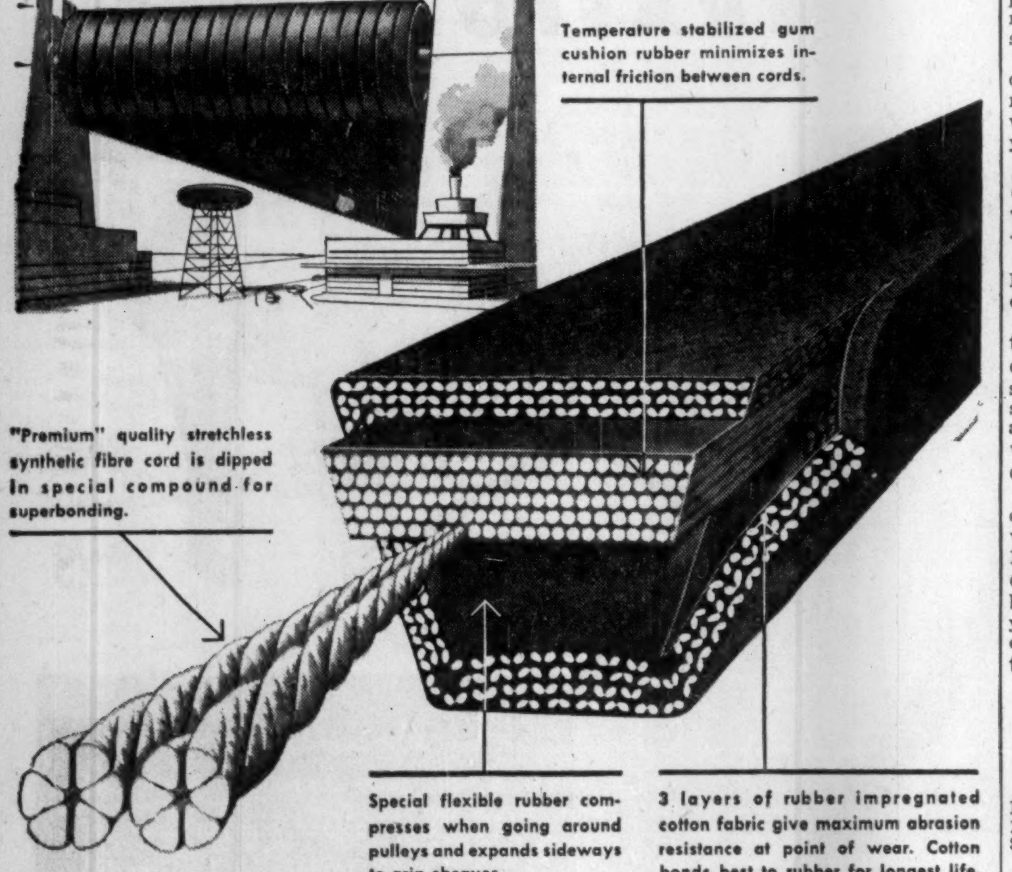
Company recently declared a dividend of 5c a share payable Nov. 1 to holders of record Oct. 1. This is the first dividend since 2c was paid Jan. 15, 1953.

INCOME ACCOUNT

Years Ended May 31:	1956	1955
Concentrates	$1,188,039	$872,255
Less: Expenses	709,449	563,532
Oper. earnings	478,590	308,723
Add: Sundry rev.	5,522	4,906
Less: Depr. & depl.	83,821	84,073
Preprod. exp. w/o	28,447	29,905
Outside expl.	3,151	283
Net profit & surplus for year	368,693	202,368
Earnings per Share and Dividend Record:		
Earned	$0.20	$0.11
Paid	nil	nil

CONDENSED BALANCE SHEET

As at May 31:	1956	1955
Cash & bullion	$506,279	$215,820
Accts. rec.	8,199	7,279
Mkt. secs.*	22,100	22,100
Mat. & supplies	62,184	66,547
Total curr. assets	598,762	311,746
Prep. & def. chgs.§	6,124	9,771
Invest.	......	10,000
Roads	39,058	41,253
Mng. cl. & dev.‡	546,679	467,013
Plant & equip.†	513,313	458,290
Total assets	1,703,936	1,298,073
Accts., etc., pay.	54,357	35,937
Total curr. liab.	54,357	35,937
Capital stock	644,001	644,001
Earned surplus	1,005,578	618,135
†After depr. of	628,110	572,126
*Market value	34,450	17,550
§Incl. in curr. assets in co.'s report.		
‡At cost less amount w/o.		
Working capital	544,405	275,809



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ANNOUNCEMENT

DONALD A. DOBSON

Appointment of Donald A. Dobson as Sales Manager of the Scott-Atwater Division, McCulloch Company of Canada, has been announced by Clyde Kinzey, General Manager for McCulloch of Canada. The appointment becomes effective immediately. Mr. Dobson will be located in Montreal for a period of time before relocation in Toronto.

To his new post with McCulloch Dobson brings more than 25 years' experience in all phases of sales and merchandising. From 1949 to 1955 he was Sales Manager to Julius Kayser & Company Limited (hosiery) and was appointed as vice-president of that firm in 1953. After severing his connections with Kayser, Mr. Dobson handled the Quebec Scott-Atwater distribution for the Maase Equipment Company Limited of Montreal. He is also a veteran of 5 years' service with the Royal Canadian Navy during World War II.

Arcadia Gets $1 Million

An underwriting that will add $1 million to the treasury of **Arcadia Nickel Corp.** has been announced by A. E. Rosen, president.

The underwriting by **Aer Investments Ltd.** on 200,000 shares at $2.75 and 150,000 shares at $3 increases cash funds of Arcadia to about $1.8 million.

Drilling and underground development on the Worthington offset have increased the indicated potential on the company's Sudbury area property to about 2.5 million tons, Mr. Rosen said. Tonnage is in four zones to a depth of 1,000 ft. and includes nickel, copper and platinum ores.

* * *

Fed. Kirkland Gets 59 Claims

A copper-nickel property of 59 claims has been acquired by **Federal Kirkland Mining Co.** near Agnew Lake on the boundary of Baldwin and Porter townships, company officials announce.

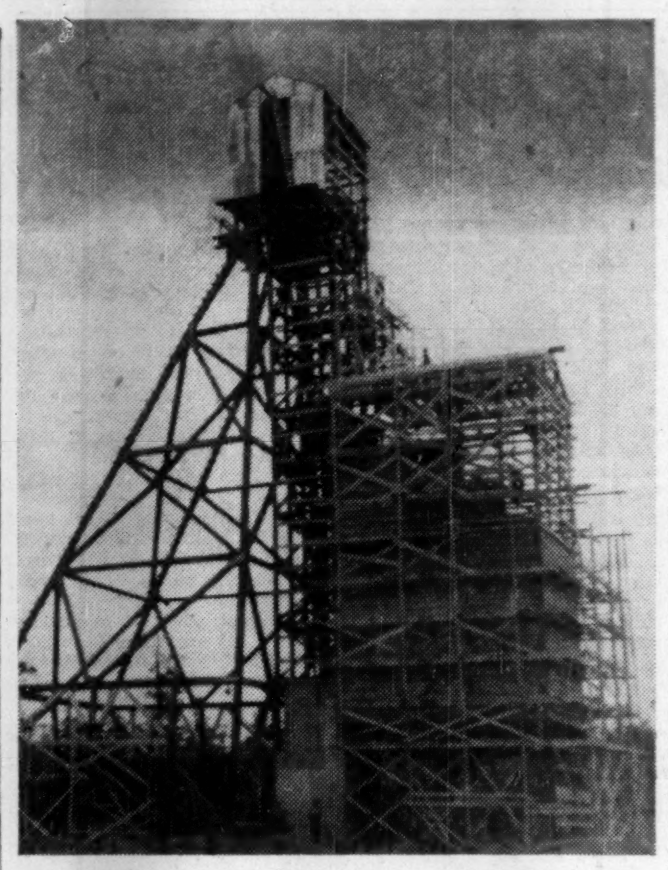
A mineralized zone has been opened by 16 trenches for a length of 1,200 to 1,400 ft.

* * *

Add 20-Claim Group To Property

An additional 20-claim group has been acquired by **Salmo Prince Mines,** adjoining the Salmo property in the Highland Valley of B. C. where a copper zone has been indicated.

The strike has been lengthened to 2,600 ft. and is over 200 ft. wide, the company announces. Hand trenching and blasting have revealed, through open-cuts, copper mineralization including chalcopyrite and bornite. Drilling is continuing at Greenwood.



THIS NEW PERMANENT headframe goes up at the No. 1 shaft at Heath Steele Mines lead-zinc-copper property slated for production at 1,500 tons daily by midsummer of 1957.

Heath Steele Mines At Half-Way Mark

From Our Own Correspondent

FREDERICTON, N.B. — New Brunswick is rapidly developing as an important part of Canada's mining industry.

At the major mining project of **Heath Steele Mines,** construction of a 1,500-ton mill is at the half-way mark, The Financial Post found in a recent visit to the property.

And in other parts of the northern New Brunswick base metal belt, some 35 separate groups representing mining interests in Canada, the U. S., the U. K. and Europe are busy seeking mineral riches.

At Heath Steele, the subsidiary of **American Metal Co.** in which **International Nickel** has a 25% interest, the mill is expected to be completed early in the first quarter of next year and production target date is mid-summer.

The property is considered the richest lead-zinc-copper strike found so far in the province. It is at Little River, about 34 miles northwest of Newcastle and is linked by a gravel road.

Four orebodies are being prepared for production with two as underground projects and two as open pit operations. Ore from both underground and open pit operations is already being stockpiled.

"We are not looking for new ore but developing the deposits already turned up," J. B. Ward, general manager, told The Post.

Reserves of probable and positive ore have been estimated at 7.2 million tons with 4.2 million averaging 2.9% lead, 7.1% zinc, 1.1% copper, 3.2 ozs. silver and .02 oz. gold. The remaining three million tons average 1.2% lead, 3.5% zinc, 1.3% copper, 1.9 oz. silver and .02 oz. gold.

Permanent Hoist-Room

A permanent hoist-room with four electric air compressors for drilling has been erected at the No. 1 shaft and the old temporary head frame is being replaced with a new permanent structure. A 150 ft. square machine shop and garage and a boiler house and crusher are also being built.

About 160 employees are down 480 ft. in the No. 1 shaft and 442 ft. at No. 2 shaft and are drifting at the first and second levels at both mines.

Both No. 1 and No. 2 open pits have been stripped to the third bench or a depth of some 140 ft.

Heath Steele is planned to provide maximum flexibility to take advantage of changes in metal prices. By varying ore used from the four different deposits, the company can produce the most profitable product at the time. Meanwhile, the Government has authorized the **CNR** to build a 22-mile branch line into the property.

On the exploration front in the province, field parties of some 35 organizations are scouring the hundreds of square miles staked extending from the Miramichi River north into Restigouche County and North Shore west to the Tobique River watershed.

From semi-permanent camps and tents dotted throughout the area, some 13 parties are reported operating from one to four drills each. They are **Golden West, Conwest Explorations, Lencourt Gold Mines, Mogul Mining, Arista Mines, Billiton Co., Fab Metals, Anaconda Copper, Middle River Mining, Kenco Explorations, Orchan Uranium, Stratmat,** and **New Jersey Zinc.**

Doing electromagnetic surveys, geophysical studies and assessment work are **Brunswick Mining & Smelting, Bellechase Mining, Monpre Uranium, Spearhead Explorations, International American Minerals, Eastern Northern Explorations, Rio Canadian Explorations, American Metals, Malartic Gold Fields, N. A. Timmins Corp., K. J. Springer, Coulee Lead & Zinc, Algoma Ore Properties, Selco Explorations of Canada, Violamac Mines, Lucky Lake Mines, Area Mines** and the **M. J. Boylen** group.

Cost $50 Million Develop Boylen's Four Nfld. Mines

ST. JOHN'S—Mine-maker M. J. Boylen's multimillion-dollar gamble on Newfoundland's mineral prospects is paying off.

Base metals and asbestos properties on the island are shaping into four separate mine projects to cost about $50 million to bring into production.

The Boylen interests have poured some $7 million into the province in exploration and development work in the past three years.

Premier J. Smallwood hails the development activity of the Boylen companies as the greatest of its kind in Newfoundland history.

He said: "Next to Confederation, next to Brinco, bringing Mr. Boylen to Newfoundland and interesting him in our mining development was the best good deed I have been able to do Newfoundland."

The companies have 23 diamond drills operating throughout the province.

Here are the big developments that show promise of a new mining empire for Canada's newest province:

Tilt Cove: The Boylen-controlled **Maritimes Mining Corp.** has rejuvenated an old mine and is scheduling copper production for April or May next year at an initial rate of 2,000 tons daily with a boost to 3,000 tons within a year. A capital expenditure of $15 million is planned. Latest unofficial estimates place reserves at nine million tons of ore averaging 1.8% to 2% copper plus gold, silver, magnetite and pyrite values.

Gull Pond property being developed by a **Maritimes Mining** subsidiary, **Gullbridge Mines Ltd.,** is slated to go into production early in 1958 with a daily output of 1,000 tons. Reserves are estimated at 4,350,000 tons averaging 1.42% copper with a core of 1.9 million tons averaging 1.93% copper. Cost would be in the $5-million bracket.

—At **Little Bay, O'Brien Gold Mines** is sharing development of a copper property with the Boylen-controlled **New Highridge Mining Co.** Indicated reserves of 770,000 tons, averaging 2.34% copper, are reported.

—Potentially one of the biggest mining projects in the province is being developed by **Advocate Mines,** another Boylen firm, which has an asbestos find along the northeast coast. Engineering is planned shortly with production possibly within three years. Cost has been estimated at $25 million.

Copper Production Jumps 40% in Que. In First Half '56

A 40% jump in copper production featured output of Quebec mines in the first half of 1956. Copper output rose to 123.9 million lb. from 88.6 million lb. in the first half of 1955.

However, asbestos production slipped 3% to 462,733 tons from 474,997 tons. Cement production was up 19% at 4,696,351 barrels from 3,930,635 barrels. Gold output dropped 5% at 552,729 oz., silver production was 12% lower at 2,216,163 oz. and zinc output was down 11% at 91,430,256 lb.

The Quebec mines department has undertaken its biggest field program with 37 projects under way this year. W. M. Cottingham, minister of mines, reports that 24 geological mapping parties are in the field and 13 other parties are on specialized projects.

Areas being mapped include New Quebec west and southwest of Ungava Bay, an area 65 miles northeast of Sept-Iles, and near the Bersimis power project. Five mapping parties are in the Chibougamau district and detailed mapping is under way in the Rouyn-Noranda area.

ANNOUNCEMENT

"3M" Executive Appointments

J. V. POWELL

E. H. LILL

John V. Powell, former Sales Manager of Tape and Ribbon Products, has been named Director of Sales for Minnesota Mining and Manufacturing of Canada Limited. He is succeeded as Sales Manager by E. H. (Ted) Lill, former Regional Manager for Western Canada. The announcements were made by K. J. Shea, Vice-President and General Manager.

The "3M" Company operates sales offices in Halifax, Montreal, Toronto, Winnipeg, Calgary, Saskatoon, Vancouver with its head office and manufacturing plant in London, Ontario.

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Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Oil

COMMAND OILS, Calgary, had a net profit of $130,297 in the year ended April 30, 1956, down slightly from a profit of $131,670 in the previous year. The company also shows a profit on sales of shares of an associated company of $66,760 in surplus account.

INCOME ACCOUNT

Years Ended Apr. 30:	1956	1955
Net income	$132,077	$133,106
Less: Inc. taxes	1,780	1,436
Net profit	130,297	131,670
Less: Divds.	251,987	134,393
Deficit	121,690	2,723
Earned per Share	$0.079	$0.080
Paid	0.15	0.08

CONDENSED BALANCE SHEET

As at Apr. 30:	1956	1955
Cash	$438	$266
Accts. rec.	3,077	7,812
Mkt. sec.*	2,867	2,867
Total curr. assets	6,382	10,945
Invests., etc.	756,318	804,796
Total assets	762,700	815,741
Accts., etc., pay.	14,585	12,878
Taxes pay.	1,780	1,436
Total curr. liabs.	16,365	14,315
Capital stock	422,853	422,853
Surplus	323,482	378,573
*Market value	42,936	24,134
Working capital†	9,983	3,370

†Excess of curr. liabs. over curr. assets.

NORTH CANADIAN OILS, Calgary, had a net loss of $310,437 in the year ended March 31, 1956, up from a loss of $51,762 in the previous year.

There was a moderate decline in production from oil wells with gross operating revenues declining from $321,176 to $253,603. In addition, organization expenses, financing of projects and increased staff and interest on new debt incurred during the year boosted operating expenses. These extra charges were the result of the participation in **North Western Pulp and Power** project at Hinton, Alta., and construction of a gas line to Hinton.

The company intends to use the majority of income expected to be received from North Western Pulp to pay dividends. A small portion will be reserved to investment in oil and gas acreage in Western Canada, Frank E. Ruben, president, says.

INCOME ACCOUNT

For periods:	12 mos. ended Mar. 31 1956	12 mos. ended Mar. 31 1955
Prod'n revenue	$253,603	$321,177
Less: Oper. exp.	103,699	128,527
Net oper. profit	149,904	192,650
Add: Misc. inc.	47,321	9,000
Profit, sale assets	......	731
Less: Admin. & gen. exp.	231,721	102,527
Deprec.	27,125	36,960
Bond interest	135,287	......
Net profit before w/o	■196,908	62,894
Bond disc. w/o	7,292	......
Amort. of devel.	41,228	49,438
Develop. w/o	65,009	65,218
Net loss	310,437	51,762

■Loss or deficit.

CONDENSED BALANCE SHEET

As at Mar. 31:	1956	1955
Cash, dep. & bds.	$226,251	$106,678
Accts., etc., rec.	27,108	142,365
Total curr. assets	253,359	249,043
Invest. & adv. to subs.	1,658,634	1,610,000
Other invest.	6,390,815	1,619,308
Leases, res. & devel.▲	622,768	647,997
Prod. equip.*	66,101	73,734
Other equip.■	......	17,388
Pipeline under constr.	950,778	......
Bd. disc., less w/o	167,708	......
Total assets	10,110,163	4,217,470
Total curr. liab.	134,249	4,627
Funded debt	3,500,000	......
Capital stock	3,675,477	1,125,227
Capital surplus	3,419,172	3,367,422
Deficit	618,735	279,806
▲After res. for amort.	286,448	245,220
*After deprec. of	261,189	213,939
■After deprec. of	......	20,124
Working capital	119,110	244,416

Elk Falls Opens $15 Million Plant

Elk Falls Co., Vancouver, a subsidiary of **Crown Zellerbach Canada Ltd.,** Vancouver, recently opened its new $15-million kraft pulp mill at Campbell River, Vancouver Island.

Mill will have an initial daily capacity of 400 tons of unbleached kraft pulp, which will be raised to 500 tons of bleached and unbleached pulp when a $7.5-million kraft and newsprint machine begins production next year.

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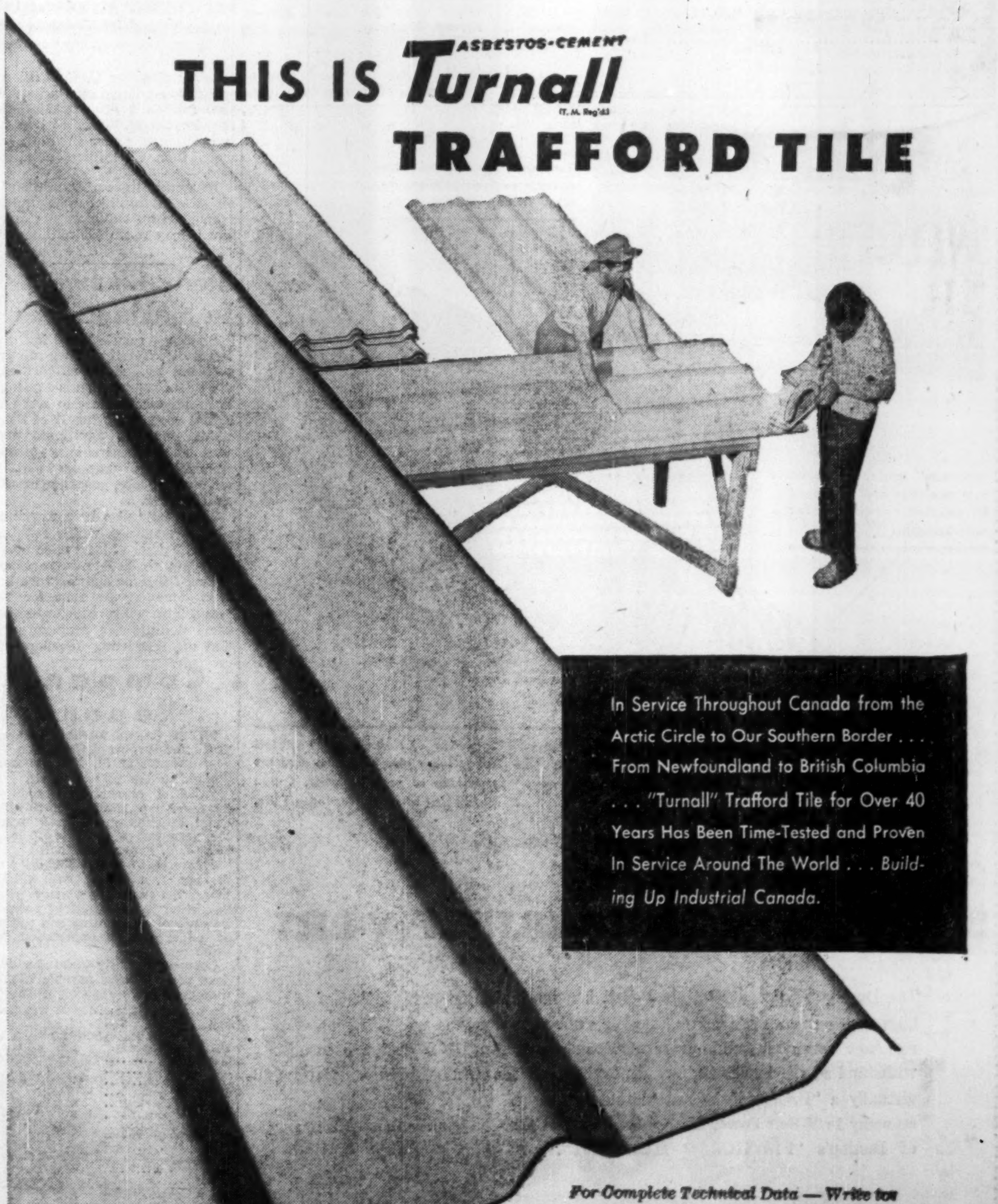

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MINING INVESTMENTS

Six Holes Cut Wide Zone At Raglan Nickel Mines

Six holes drilled on the No. 1 sulphide zone of Raglan Nickel Mines 25 miles northeast of Bancroft, have cut the zone along a length of 300 ft. to a slope depth of 340 ft., A. D. Hellens, consulting engineer, reports.

Hole No. 1, the only one for which assays are available, showed an average of 0.63% combined nickel-copper and 0.04% cobalt across a true width of 37.9 ft.

The other five holes show structure continuing strong with the mineralized zone in the latest two holes widening to true width of 70 ft., he reports. Holes are being spotted to probe the main zone along strike at deeper horizons, particularly below the area where the dip of the zone steepens.

Two drills are operating on the first zone and a third machine is testing a strong magnetic anomaly picked up by geophysical surveys some 1,500 ft. west.

• • •

Supercrest Copper Traces New Zone

A new mineralized zone on the property of **Supercrest Copper Mines Ltd.** has been traced over 400 ft. to a depth of 300 ft., officials say.

Eight diamond drill holes have given the following assay results: 1.28% copper over 45.7 ft., 1.44% over 23 ft., 1.44% over 6 ft., 1.78% over 17 ft., 1.02% over 12.5 ft., 1.22% over 3 ft., 1.33% over 10 ft., and 2.19% over 15 ft., 1.64% over 6.2 ft. and 1.31% over 9.2 ft.

Supercrest, formed in May this year, is jointly owned by **Frobisher Ltd.** and **Coppercrest Mines** which amalgamated their two adjoining properties in the Sault Ste. Marie area of Ontario. Authorized capitalization is five million shares of which 2,090,000 are issued. Coppercrest owns 52.7% of stock, Frobisher 40.1% and others 7.2%. Frobisher manages the property.

Six shafts were sunk on the property some years ago along a strike length of a mile. Data on No. 6 shaft indicates about 250,000 tons grading 2.5 to 3% copper per ton. Present drilling program is on an entirely new anomaly on strike near No. 4 shaft, which was disclosed by a geophysical survey. About 3,200 ft. of drilling has been done to date.

• • •

Cut Third Zone Ore At Chib. Jaculet

Chibougamau Jaculet Mines Ltd. has cut another hole on the No. 3 zone of its Chibougamau area copper property, the company announces.

Hole No. V92 cut a section of 25 ft. from 110 to 135 ft. giving values of 2.17% copper and .031 oz. gold. It also cut a section of 13 ft. from 161 to 174 ft. assaying 2.67% copper and .023 gold.

With some $4.5 million in cash, the company continues to carry out its concentrated program of diamond drilling. Some 16 drills are operating.

The company is planning a production shaft to about 1,500 ft. with lateral development on the No. 1 and No. 2 ore zones. Some $1.2 million is to be spent on the underground program.

• • •

American Smelting New Drilling Program

American Smelting & Refining Co. has notified **Bethlehem Copper Corp.** that it will continue the exploration and development program on Bethlehem's original Highland Valley property in B. C.

Such a notice was required under terms of Bethlehem's agreement with ASR.

A new program of vertical drilling is under way on the Jersey zone designed to provide data on tonnage and grade, officials say.

Zenith Securities has exercised its option on 63,000 shares at $2 a share, in accordance with the escalator terms of Bethlehem's underwriting agreement with Zenith.

• • •

Anaconda Head Says Cheap Copper Gone

Price structure for copper will have a strong bearing on future development and production plans in the industry, **Anaconda's** chairman, Roy H. Glover, believes.

He emphasized recently the importance of maintaining adequate prices for the red metal since "the days of cheaply produced copper are gone." Future supply will depend on the extent that prices "not only justify but encourage the mining of ores that are now by-passed."

Only about 380,000 tons of the expected 1956 U. S. copper output of 1.1 million tons will be accounted for by low-cost producers, according to Mr. Glover. However, vast reserves of low-grade copper in various parts of the world could be developed under an encouraging price structure.

The Anaconda chairman forecast U. S. requirement for copper in 1960 would rise to around 4.6 million tons.

• • •

Siscoe Mines Buys Vermiculite Firm

Siscoe Mines Ltd. has acquired **Vermiculite Insulating Ltd.,** as a wholly owned subsidiary, it is announced. The company has leased the Vermiculite Insulating plant in Montreal, giving it three vermiculite plants. Other plants are in Toronto and Cornwall.

• • •

Geology Reports On Sask. Areas

The Saskatchewan Department of Mineral Resources has prepared geological reports on the Reindeer River area and the Mari Lake area. The Reindeer report covers about 400 square miles located 90 miles east-northeast of La Ronge and the Mari Lake report covers a 200-square-mile area about 20 miles north of Flin Flon.

New Midale Well Extends Oilfields

Husky Oil & Refining Ltd., operator for the Husky, **Consolidated Mic Mac Oils Ltd.** team under their farmout agreement with **Canadian Superior Oil Co. of California,** reports an important extension to the Midale oilfield in southeast Saskatchewan.

Most recent discovery, Husky-Mic Mac-Canadian Superior Huntoon No. 1, was made in the Mission Canyon member of the Mississippian at a depth of 4,542 ft. The well tested the interval 4,534 to 4,542 and with the valve open 90 minutes gas came to the surface in eight minutes at a rate too small to measure. When pipe withdrawn it contained 2,350 ft. of 27.5 degree gravity gassy oil and 250 ft. of mud cut oil with no trace of formation water. An earlier drillstem test of the interval 4,400 to 4,432 ft. had recovered 440 ft. of clean oil and 360 ft. of oil and gas cut mud.

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Permo Gas & Oil Stock Issue Is Heavily Oversubscribed

A new $8 million offering of convertible redeemable preference shares of **Permo Gas & Oil Ltd.** which was heavily oversubscribed has now been allotted and stock is trading around the $2.40-$2.50 a share level on the over-the-counter market. Offering price was $2 a share.

Company was incorporated in Ontario last month to acquire interests in petroleum and natural gas leases and permits in Western Canada. Major acquisition to date has been purchased from **Hudson's Bay Oil & Gas** and from **Union Oil Co. of California** of an undivided one-quarter working interest in large land acreages in the Fort St. John area of British Columbia. Company's main interests in the immediate future will be in exploration and development of oil and gas holdings in this area.

Proceeds of the current issue will be used to the extent of $6,150,000 to pay for the interests acquired in the Fort St. John field; approximately $600,000 to pay for development work done or for which commitments have been given; approximately $400,000 for further development on these lands during 1956 and balance for general corporate purposes.

The offering was made by a syndicate composed of **Greenshields & Co.,** Montreal; **Cochran, Murray & Co.,** Toronto; **Doherty Roadhouse & Co.,** Toronto; **J. H. Crang & Co.,** Toronto; **T. A. Richardson & Co.,** Toronto, and **Wills, Bickle & Co.,** Toronto.

Each of the 4½% convertible redeemable preference shares will be convertible at the option of the holder at any time after Sept. 1, 1958, up to and including Sept. 1, 1961. Basis of conversion will be one common share for each preference share held.

Of the 297,500 common shares presently outstanding 148,743 were issued to Harris Cox, one of the promoters of the company, for $17,849 and 148,750 common shares to Ralph Austin Bard, Jr., also one of the promoters for $17,850 cash.

The company has also granted options to the underwriters to purchase a further 680,000 preference shares at $2 a share exercisable in whole or in part at any time before Sept. 1, 1961. In the meantime if the company should require further funds, arrangement has been made for a production loan of up to $2 million to be drawn down as required.

Gas and Oil Reserves

McDaniel Consultants Ltd. estimates company's shares of the total gross proven natural gas reserves in Crown Permits Nos. 18 and 22 at 187.6 billion cu. ft. before royalty or 159.4 billion cu. ft. after deduction of the 15% Government royalty.

Oil shows in some of the development wells and a recent oil discovery of commercial grade indicate the presence of sizeable oil reserves in the Fort St. John fields. McDaniel Consultants estimate the company's share of probable oil reserves at 3,700,000 bbls. after royalty.

Most of the known gas reserves in the Fort St. John fields have already been contracted for sale to **Westcoast Transmission Co.** which company is constructing a pipeline to transport natural gas from the Peace River area of B. C. and Alberta to markets in B. C. and for delivery at U. S. border to **Pacific Northwest Pipeline Corp.**

Company officers are:

Harris Cox, Calgary, president.

Francis Richard Matthews, Calagry, secretary-treasurer.

Gordon Waldie, Toronto, assistant-secretary.

Directors: Gordon Hollis Allen, Q.C., Calgary; Ralph Austin Bard, Jr., Barrington, Ill; Harris Cox, Calgary; D'Arcy Manning Doherty, Toronto; Peter Kilburn, Westmount, Que.; Francis Richard Matthews, Calgary; Maitland Fuller Newman, Toronto.

Subject to the filing of documents and evidence of satisfactory distribution, the Toronto Stock Exchange and Canadian Stock Exchange have approved the listing of the preference shares.

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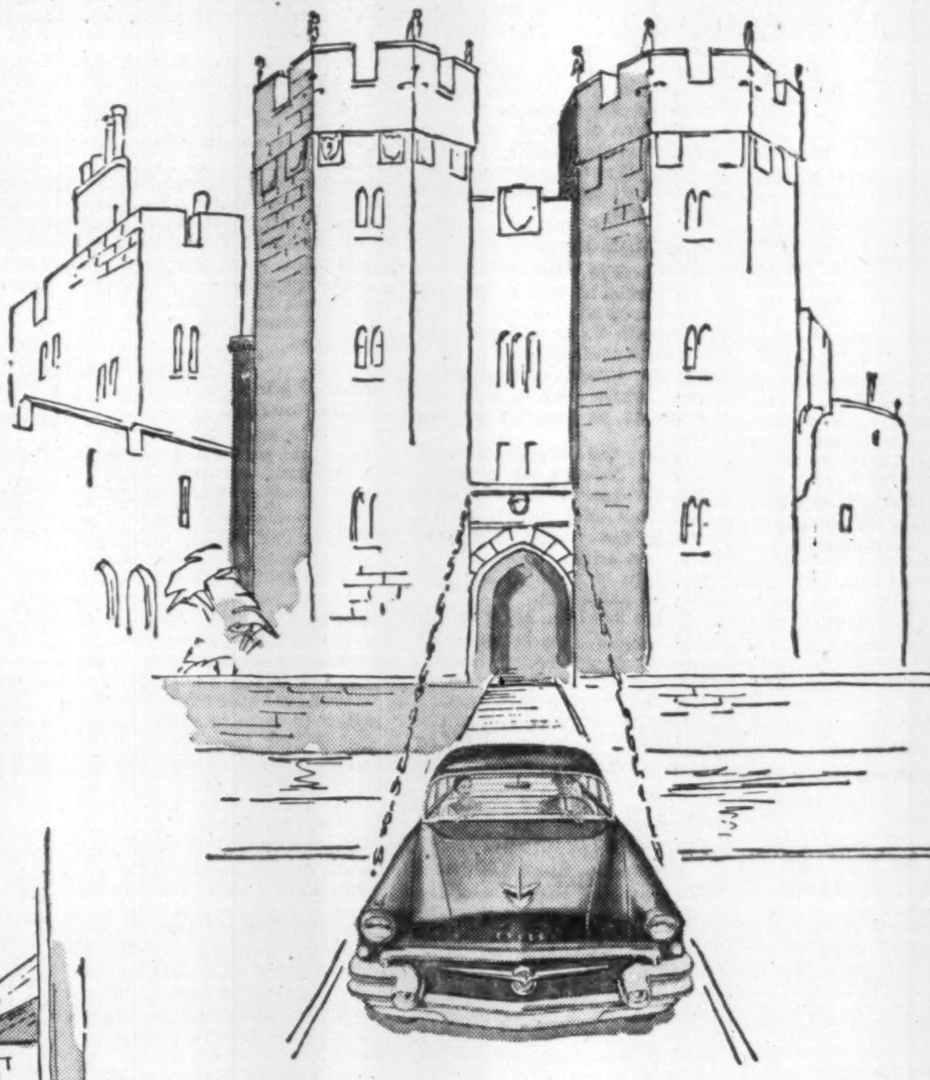

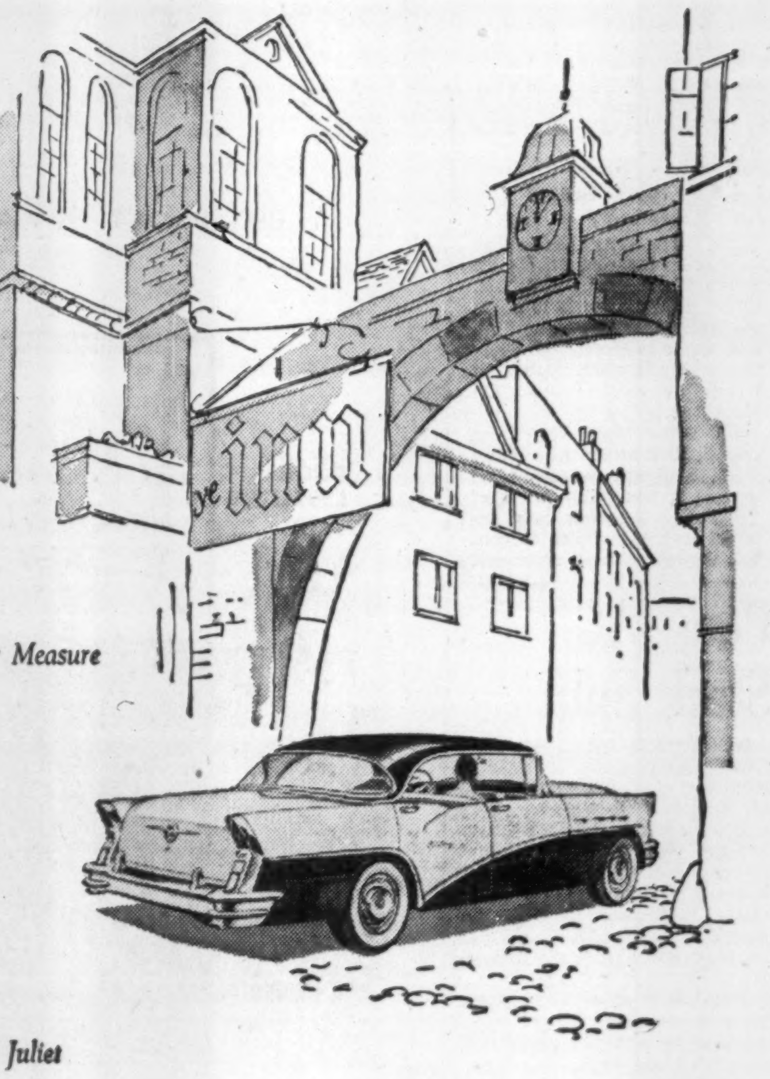

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Letter from London by Adelphi II

We have said goodbye to an August which, according to the statisticians, has been the wettest for 75 years, and for once the statisticians can be believed. As this is being written the rain is falling down with tropical intensity and the streets all look like the Suez Canal. Yet we are told that if there happened to be a dry period of, say, two months, we should be hard put to it to get enough water for everyday purposes. It may well be that a few years hence we shall have to pay for water as we now pay for gas and electricity.

The rain virtually washed the last Test Match away and except for a few cricket fanatics the interest had evaporated long before. However, England won the rubber and retained the (rather sodden) Ashes, and the commentators have not denied themselves the pleasure of rubbing it in to the Australians that as cricketers they are in the second class, at any rate temporarily.

Nobody would deduce, if he were a stranger to this country, from the commentators' observations that Australia was a land within the British Commonwealth. It would be assumed that Australia is a country which has been a bitter enemy in the past and on which we are taking our revenge. Yet cricket is the game which is supposed to set the standard of good sportsmanship all over the world.

* * *

Nasser No Cricketer Says Old Diehard

Indeed, one ancient diehard has been heard to state that the trouble with Colonel Nasser is that he never played cricket. Not that Suez figures prominently in the pavilion chat at the Oval and Lord's. They have other subjects to think about there, and the potential loss of Laker is a much more serious matter than the potential loss of the Canal.

The English are commonly credited—they certainly credit themselves—with a highly developed political sense. It is incorrect. But there are a few men and women to whom political issues are very interesting and very important, and they are wondering what will emerge from the symposia that the Committee of Five, headed by Mr. Menzies, is holding with the Egyptians.

* * *

Friendly U. S. Screed Isn't Forgotten

It is rumored in London that one gambit that Colonel Nasser proposes to play with Mr. Dulles in particular is to quote the letter that President Truman wrote to Mossadegh when that lachrymose politician seized the Anglo-Iranian Oil properties.

The letter was sent off on July 9, 1951, and Happy Harry Truman unbuttoned his mind in this strain: "You know of the U. S. A.'s sympathetic interest in Iran's desire to control its own natural resources.

While Adelphi is on holiday, The Financial Post's commentary from London is being written by Adelphi II, another distinguished observer of the British scene.

We were happy to see that the British Government has on its part accepted the principle of nationalization."

The Egyptians have not forgotten that friendly screed. Nor, presumably, have the Panamanians. Just over a year later, however, the U. S. sang a different tune, when 31 members of a United Nations Committee passed a resolution in favor of any member of U. N. being free to nationalize natural resources without paying a penny compensation.

America dissented from that resolution and nothing came of it. But it is a significant illustration of how circumstances alter cases.

* * *

Optimistic View By Stock Market

It would be idle to attempt to forecast the outcome of the talks with Colonel Nasser. But the stock markets seem to take, on the whole, an optimistic view, which may or may not prove to be justified by the event.

After the first shock of Colonel Nasser's tit-for-tat to the withdrawal of the Anglo-American offer to help in financing the Aswan dam, the markets settled down into a condition of more or less suspended animation.

There has been little selling and equally little buying, perhaps because investors have at last realized, after 11 years of unpeaceful peace, that we must reconcile ourselves to a future in which crisis will follow crisis with clockwork regularity.

* * *

Rumors and Views On Canal Question

Meanwhile, all sorts of moves for rendering the users of the Canal independent of it in the near future have been advanced. The Liberal party thinks that another canal should be built, and it offers this suggestion as casually as if building another Suez Canal would be as easy as building another Regent's Canal.

More realistic are those who urge that henceforth all tankers should be big enough to transport at least 60,000 tons of oil. This is already being done by the two Greek shipowners, Mr. Niarchos and Mr. Onassis. They have made their millions by always being one jump ahead and by taking tremendous risks. In other words, they demonstrate by their procedures and by their successes the superiority of private enterprise to state-controlled concerns.

Incidentally, another rumor in circulation is that Mr. Niarchos and the **P. and O. Steamship Co.** will probably join forces, not by amalgamating the two undertakings, but in a species of consortium by which they can advantage one another. It is only a rumor, but if there is any truth in it, the arrangement would appear to have much to recommend it to both parties.

Parliament will probably be soon recalled, though it is difficult to see what good it can do, over and above giving the "Britain is always wrong" faction the chance of adding to the burdens of ministers by bombarding them with questions about "brute force" and "colonialism." This will not inflict any great hardship on ministers, as most of them have remained in London since the Canal came prominently into the news.

* * *

Rich Widows Slain For Cash

Nearly as prominent in the news and in London gossip is Eastbourne, an ultra-respectable seaside resort which is very popular with Londoners. Hair-raising stories, which are snowballs in horror, are reaching the capital about rich and solitary widows, resident in Eastbourne, who have been murdered for their money.

The know-alls assert that when the full facts are discovered the authorities will not allow them to be made public, for if they were the medical and legal practitioners of Great Britain would never again be trusted within the lifetime of any persons now living, and no widow with money would ever go to Eastbourne hereafter.

Scotland Yard has been called in, which indicates that the City Fathers want to explode the rumors. It does not indicate that they believe that there is substance in the allegations, which become more and more bloodcurdling as the days go by.

Scandal is a grain of mustard seed and there are always plenty of scandalmongers, who on this occasion, as on all others of a similar kind, will be bitterly disappointed if the Eastbourne stories turn out to be fiction from beginning to end.

Bathurst Net At $1.5 Mill.

MONTREAL (Staff) — Estimated net profit of **Bathurst Power & Paper Co.**, for the six months ended June 30, 1956, totaled $1,534,310, against $1,413,-587 for the same period of the previous year.

Estimated net earnings before depreciation, depletion and taxes were $3,611,865 ($3,316,106). Provision for depreciation and depletion amounted to $710,215 ($635,-279) while reserve for estimated income taxes was $1,367,340 ($1,-267,240).

At June 30, current assets including cash and marketable securities of $4,609,599 amounted to $18,341,867 and current liabilities were $5,489,035.

As of Aug. 1, 1956, the **New Brunswick Electric Power Commission** acquired from Bathurst, a subsidiary company, the Bathurst Electric & Water Power Co. which retailed power within the community of Bathurst. The commission will supply the power necessary for these services from its own plants. All power produced from the hydro-electric and steam-generating power plants owned and operated by Bathurst Power & Paper will then be available for company's manufacturing operations.

Ford of Canada Half Year Net Soars 62%

Ford Motor Co. of Canada Ltd. estimated net income for the half year ended June 30, 1956 was up 61.9% at $12,030,686 ($7,430,460 a year earlier), equal to $7.25 ($4.48) per share.

Net sales were 14.4% higher at $195,601,000 ($170,915,000). Last year's results were adversely affected by a strike in January.

The demand for passenger cars and trucks in Canada has been strong for some months and outlook for remainder of year is promising, reports President Rhys M. Sale in the first semi-annual report to shareholders.

Retail car deliveries by Ford dealers were up 31% and retail truck sales rose 76%. In June dealers set a new record for passenger car deliveries. Sales volume of parts and accessories division also set a new record.

Indications are that with improved returns from Canadian operations, over-all profit for 1956 will be substantially the same as for 1955, although dividend returns from overseas subsidiaries will be somewhat less, it is stated. Net profit in 1955 was $12.50 a share.

Main reasons for reduced overseas dividends are the lower Australian import quotas, increases in purchase tax on cars to 30% from 16 2/3% and on trucks to 16 2/3% from 12½%, and 15% rise in Australian corporation tax, retroactive to January 1, 1955.

In Canada company recently concluded a new collective bargaining agreement, expiring Aug. 31, 1956, covering hourly rated workers. Recentely it also negotiated an agreement, expiring Oct. 31, 1958, covering office workers at Windsor.

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Bank Staff Changes

Nova Scotia:

W. L. LANGILLE, assistant manager, St. John's, Nfld., to be an assistant supervisor, General Office, Toronto.

J. E. LAURIN, manager, Shippegan, N.B., to be manager, Chelmsford, Ont.

J. B. LAWSON, to be manager, Victoria Park & Ellesmere, Toronto.

R. W. RIDDLE, to be manager, Lawrence & Birchmount, Toronto.

P. A. ST. GERMAIN, manager, Chelmsford, Ont., to be manager, Maniwaki, Que.

J. E. QUINN, to be acting manager, Valleyfield, Badger's Quay, Nfld.

J. C. STEWART, to be accountant, Bloor & Jane, Toronto.

D. C. INNES, to be assistant accountant, Forest Hill Village, Ont.

Plan IAC Stock Split

MONTREAL (Staff) — At a special meeting to be held in Montreal, Sept. 13, shareholders of **Industrial Acceptance Corp.** will be asked to approve a two-for-one split of the company's existing common stock, and the increase by two million shares (from three million after the proposed split, to five million) of company's authorized common stock.

Company officials reported there were currently no plans for issuance of the proposed additional common stock.

Company now has authorized common share capital of 1.5 million shares, no par value, of which 1,342,545 shares are issued and outstanding.

News of the proposed stock split and increase in capitalization last week sent the price of common shares up 5 points from $53½ to $58½. By mid-week price had settled bacl to $57½.

Computer Course As Business Aid

The ways in which the electronic digital computer can be used in business are to be explained in a series of lectures next month.

Computing Devices of Canada Ltd. announce three-day courses: Toronto, October 2-4; Montreal, October 9-11; Ottawa, October 16-18. The courses will cover the theory of computers, the method of using them and an analysis of the problems they give rise to.

The two lecturers, both from the company's Data Processing Centre, will be C. J. Williams, business system analyst, and G. V. Scully, a specialist in accounting methods.

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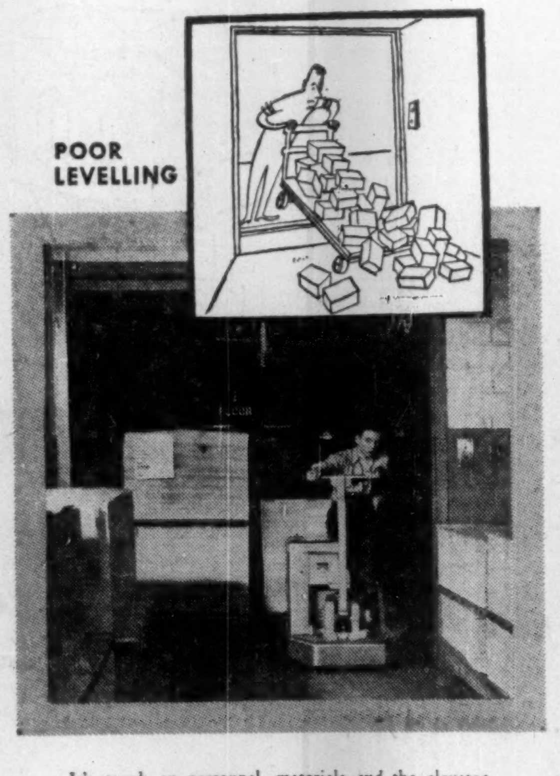

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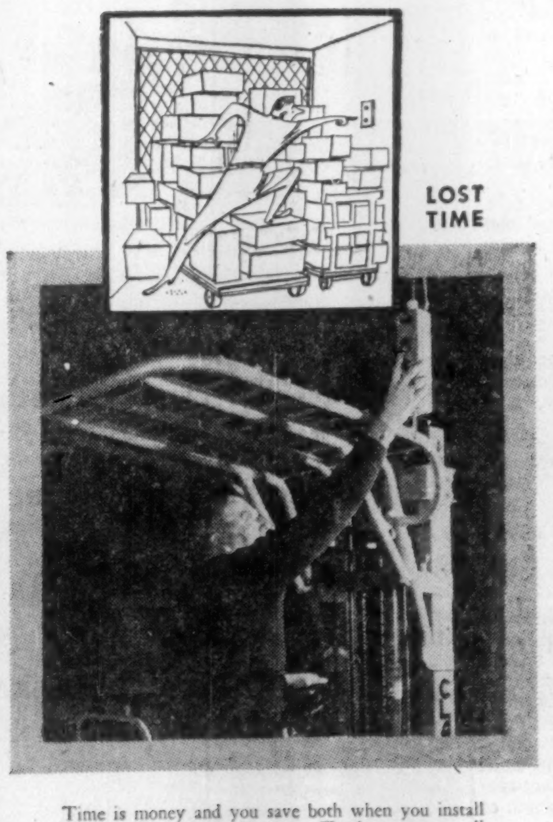

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Leads Education Study

Stanley Harold Deeks, 45, was named executive director of the spanking new Industrial Foundation on Education, outcome of this week's National Conference on Engineering, Scientific and Technical Manpower sponsored by A. V. Roe (Canada) Ltd. Mr. Deeks — who takes leave of absence from his post as A. V. Roe's chief of engineering administration — will direct the activities of an organization designed to be the voice of industry in educational matters. To be supported by individual companies, this permanent foundation will study educational problems related to industry's needs and recommend solutions — some of which can be shouldered by industry itself.

The Financial Post

20 cents

Canada's National Weekly of Business, Investment and Public Affairs.

Vol. L — Member of Audit Bureau of Circulations ★ Publication Office: Toronto, September 15, 1956 ★ Twenty Cents an issue, Six Dollars a Year — No. 37

THE NATION'S BUSINESS

Business Takes Steps To Aid Education

An extremely important break-through on the crisis-front of high education in Canada was achieved at the conference of industrial and university executives sponsored by Avro at St. Andrews this week.

For some time, informed Canadians have been aware of the immensity of this problem. In no other country is the problem of an adequate and increasing supply of well trained people so urgent and so clamorous for imaginative and courageous action.

The true significance of this conference and of its decision to establish an industrial foundation on education is along these lines:

A large and powerful group of Canadian businessmen have said in effect:

"What kind of a country we have tomorrow is our vital concern and the nature, quality and extent of higher education in Canada is a matter in which we have responsibility and intense concern.

"We are major sources of money in modern society. One way or another, business corporations will inevitably be called upon to carry a very important share of the cost of adequate educational machinery. Hence, let us face this fact directly and help in the evolution and development which we want to take place."

Radical Measures Imperative

Hitherto the basic problems of education have been left almost entirely to the professional educationists and to the provincial governments with some more or less effective kibitzing from some professional bodies. Out of their wranglings and interminable committee meetings today's educational system has been achieved.

But despite its freely acknowledged merits that system is now colliding with problems of a size and kind which make radical measures imperative, if Canadian development and national worth are not to be harmed very seriously and to deteriorate alarmingly.

Because education in Canada is a provincial responsibility and because Quebec under Maurice Duplessis is most sensitive on this subject, all proposals for federal aid to education crash into deplorable but very solid political realities.

There is, however, a very wide area on which the industrial foundation on education can contribute most usefully without ruffling racial, religious or provincial feathers.

It should be noted that the reaction to this foundation by the representatives of French Canadian universities at the conference appeared to be unreserved in warmth and enthusiasm.

Here is Tangible Aid

Business in Canada has long been trying "to do something" for education. There have been some families of wealth who have made most important capital contributions.

Since modern taxation so effectively discourages private accumulations of importance, some corporations have been making increasingly significant contributions as a matter of good business and of good citizenship.

Recent years have seen the establishment of important foundations for charitable and cultural activities. The J. S. McLean Foundation, the Bickell Foundation, the A. E. Silverwood Foundation, the R. S. McLaughlin Foundation, are just a few examples.

Some corporations have developed important programs.

International Nickel has its $500,000 a year granted in scholarships at 140 Canadian schools and colleges.

The Alberta Hotel Operators Association puts five cents on every keg of beer sold in the province into a trust fund. The proceeds provide 53 scholarships a year, each worth $500 a year except in Edmonton where students can live at home.

General Motors and Westinghouse educational programs were outlined to the conference. Crown Zellerbach's scheme fosters not just engineering and technical people but men and women in social sciences and in secondary school teaching. A. V. Roe has an aerophysics program at the University of Toronto.

More Leeway Here

Canadian law allows up to 5% tax deductible contributions for charitable and educational contributions. The record shows that Canadian corporate contributions of this kind for tax purposes are 1.4%. This is the total for both charitable and educational purposes.

The average corporate spending for such purposes in the United States is .5% but of that amount only .37% of the total contribution goes for educational purposes. A parallel breakdown of the over-all figure is not available in Canada.

Crawford Gordon and his associates of Avro are indeed to be congratulated for their enterprise and real insight in organizing this conference.

It is a practical, head-on attack on the most critical Canadian problem of our time.

The work of the foundation now established can produce nothing but good results for the whole Canadian people.

Private Industry to Get More Use of Atom Soon

Isotope Products Ltd. Will Open Huge Gamma Ray Source To Individual Companies Next Year; Applications From Food To Plastics

By RODNEY TOUCHE

Atomic radiation facilities for research and development will be available to individual companies in Canada early next year.

This first commercial irradiation plant in Canada will be powered by a 15,600—curie cobalt source, one of the largest gamma radiation sources in the world. It is to be built and serviced by **Isotope Products Ltd.,** Oakville, Ont.

Government departments, public authorities and the food, plastics, chemical, rubber and oil industries are welcoming the new plant as an opportunity to catch up and keep pace with applications of atomic research being done in the U. S., the U. K. and by **Atomic Energy of Canada Ltd.** at Chalk River, Ont.

Specific applications of gamma radiation include:

- Preservation of food and beverages, pasteurization of milk, meat and beer, curing tobacco, sterilization of canned goods, protection of stored potatoes against sprouting, treatment of grains and flour to kill insects and improve transit in tropical climates.
- Sterilizing pharmaceuticals.
- Disposal of sewage.
- Improving the insulating properties of plastics and raising their melting point. Adding to the life of nylon bearings. Preventing plastic flooring being marked by furniture.
- Improving the performance of electronic transistors.
- Promoting chemical reactions at lower temperatures and pressures. Cracking crude oils, vulcanizing rubber.

While the $100,000 pilot irradiation plant at Oakville will not be ready until the spring of 1957, Isotope Products is now setting up a consultation and technical service for all radiation applications.

Later plans include designing and constructing individual commercial units for production line irradiation techniques.

The company's activities will extend the facilities at Chalk River to individual Canadian companies. Atomic Energy of Canada is supplying the 7,000 pellets of cobalt 60, at a bulk cost of $2 per curie, to provide the irradiation source.

Some of the pellets, which have to be irradiated at Chalk River for about a year, are already being prepared in the NRX reactor.

"The Chalk River establishment is primarily concerned with nuclear research and the development of nuclear power," Dr. Louis Voyvodic, director of nuclear projects at Oakville, told The Financial Post.

"The significance of our service is that it applies the findings of fundamental research to the specific problems of individual industries."

The need for atomic development by Canadian industry has already been emphasized by the directors at Chalk River.

Dr. W. J. Bennett, president of Atomic Energy of Canada, told the parliamentary committee on research last June:

"Chalk River will continue to have the major responsibility for carrying out fundamental research and for undertaking those

(Continued on page 3, col. 4)

Making Money?

Making money in mining and oil stocks?

On page 42, The Financial Post presents a new regular feature, "Taking Stock," which deals with the market moves of the mines and oils. It tells of the issues that are making news, from the penny gambles to the established producers.

Follow this special Post feature regularly for news and comment, for reports of what the street is saying about the stocks that move.

ALSO INSIDE:

Speculators in oils are in a state of nervous collapse in London—and all because of Nasser. Adelphi, p. 44.

We're living longer than ever. How to plan for a happier retirement, p. 29.

Jolly Old Saint Nick gets involved in British Columbia politics. Bruce Hutchison, p. 11.

Legal Jungle Bogs U. S. Gas Hearing

Special Correspondence

WASHINGTON, D.C.—Another chapter in the complicated and lengthy Federal Power Commission hearings on the **Tennessee-Midwestern** applications to export and import natural gas to and from Canada opened here this week.

F.P.C. examiner Francis L. Hall began hearings Thursday on motions to dismiss the Tennessee-Midwestern applications. This is the first step in a delaying action brought by the companies opposing the deal with **Trans-Canada.** This delaying action may hold up progress on the applications for another three months.

Examiner Hall says the hearings will enable Tennessee-Midwestern to complete more fully their direct evidence. But most of the hearings will be spent listening to arguments from the opposing companies as to why the F.P.C. should throw out the Tennessee - Midwestern applications.

These new hearings grew out of an unusual decision by the F.P.C. to refer back to the examiner the motions filed for dis-

(Continued on page 3, col. 2)

Nickel Rides High As Demand Rockets

Europe And U. S. Industry Is Paying Roof-Top Prices For Our Current Output, Plus Future's; $10-Million Deal With Sweden Biggest News

By RAY MAGLADRY

The prospects for Canadian nickel are riding high on a booming demand from European and U. S. private industry.

Steelmakers — offering almost double the 64.5c official price — are contracting for large chunks of Canada's present and future output.

Big new development: A $10 million-plus deal by **Eastern Mining & Smelting** to sell refined nickel to a group of Swedish steel firms for a three-year period at a premium price of around $1.16.

Here's the nickel supply-price picture:

- Government and private industry demand is outstripping supply at the regular price of 64.5c a lb.
- The U. S. Government's announced premium price incentive policy has brought little or no response from producers.
- Estimated needs of the U. S. for Canadian nickel will reach 200,000 tons annually by 1960. Present supply is running about 177,000 tons a year.

The Eastern Mining deal involves sale of some 3.3 million lb. of refined nickel a year for 1958-59-60.

It's the first firm contract for delivery from Eastern Mining's big nickel-copper refinery and smelter to be built at Chicoutimi, Que. (FP, July 7).

Company officials would not disclose the price, but it is believed to be around $1 lb.

European buyers have been contracting for $1 lb. and better to some producers. U. S. industry is also negotiating at these higher prices.

Eastern Mining made the deal through Jernkontoret of Stockholm, an association of Sweden's big steel making firms.

The company previously had been negotiating with Washington for a possible long-term contract at a premium price. Now, with nickel demand on the upswing, hopes may be pinned on high price contracts with private industry on both sides of the Atlantic.

Production in 1958

The nickel section of Eastern Mining's Chicoutimi refinery-smelter will start producing in 1958, a year after the copper section begins to roll. It will be Canada's third nickel refining project.

Three properties of Eastern Mining and associated companies are under development to supply nickel concentrates to the Chicoutimi plant.

One of them, the Hudson Bay property of **North Rankin Nickel Mines,** is being scheduled for production around March next year. Negotiations with industry are in progress to take North Rankin's output of concentrates prior to

(Continued on page _ col. 2)

Not Glamorous, But Robot Steno Only $15 Month

Electronic secretaries, that automatically answer the telephone and record messages, are being rented out by Alberta Government Telephones.

When the subscriber is out, a recorded voice offers to take a message from the caller. The machine can handle 240 calls of 15 seconds each. These are played back by the subscriber later.

Rent for the new device is about $15 a month.

Another machine that is available, for an increased charge of about $5, is a loud-speaker telephone which leaves both hands free when it is being used.

Equipped with a volume control and a warning light, it has a microphone and loudspeaker that can be operated with a switch instead of lifting the receiver.

IT'S ECONOMY NOW

Horsepower Race Running Out Of Gas

By JACK McARTHUR

The horsepower race is over.

If this statement isn't completely true now of Canada's automaking industry, it probably will be in the autumn of 1957.

And here are two important trends to mark down for further reference:

- **Automakers are going to put more emphasis on economy than they have during the past few years. With a price increase averaging probably $50 to $150 per car expected this year, manufacturers are worried that dollar considerations will cut into volume sales.**
- Safety features will probably get a bigger push.

In recent years, public demand has combined with the undeniably expert opinion of the car sellers to produce these results:

—A steady year-by-year stepping up of horsepower.

—Pushing of price considerations into the background, with the addition of more "extras" — automatic transmissions, hardtops, pushbutton operation, etc. The carbuying public has backed this trend by showing a tendency to buy more extras and slightly higher-priced cars.

But, as if in compensation, there has been increasing emphasis on new safety features; and a developing concept of mass marketing which has ballooned sales of both new and used cars.

Now, say auto industry sources,

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Wanted: Skilled Help

Industry's Dynamic Move To Get More College Grads

For full report on key speeches at the national conference on technical manpower, see p. 15.

By DALTON ROBERTSON

ST. ANDREWS, N.B. (Staff)—This week Canadian industry laid the cornerstone for a new relationship with education.

At Canada's first national conference on engineering, scientific and technical manpower, held here by **A. V. Roe Canada Ltd.,** some 100 top businessmen from a cross-section of industry established:

- The Industrial Foundation on Education — an organization designed to be a voice for industry in matters of education.
- An exploratory committee to look into the feasibility of establishing a national advisory committee on the advancement of education.

These organizations are the product of two-day-long sessions called to

(1) Assess the extent of manpower shortages in the critical fields of engineering and science;

(2) Take a long, hard look at trends in education and

(3) Estimate future needs for the product of education, skilled manpower.

Spurred by what they consider a coming shortage of technically trained personnel, industry representatives pledged close to $100,000 to finance the work of the new foundation and the new committee — organizations which may eventually encourage the channeling of millions of industry's dollars into the universities, the technical training institutes and teachers' colleges and to their students.

The Problem

James S. Duncan, conference chairman, outlined the problem this way: If we are to do no more than meet our requirements in scientific, engineering and technical manpower over the next 25 years—and at the same time maintain equilibrium between cultural and engineering education—corporate giving to education measured by the standards of

(Continued on page 3, col. 1)

Ottawa Finds New Hope In Battle of the Boom

By MICHAEL BARKWAY

OTTAWA (Staff) — "We're not out of the wood yet. But things are no worse than they were a month ago."

This sums up the Government's assessment of our present position in the battle of the boom.

The Government still wants to moderate the pace of expansion as much as possible.

—It still fears that the present pace could lead to extravagant price increases and another permanent reduction in the purchasing power of the dollar.

—It still wants to check the ardor of foreign investors.

But, for the present at least, hope has been renewed that monetary policy can keep the boom within tolerable limits.

Consideration of more drastic emergency action has got no further. No move to recall Parliament in November for anti-inflationary legislation is now contemplated. Study continues of the power which the Government could use in case of necessity; but it remains a theoretical "if and when" question.

Officials and policy makers are more unanimous than ever before that a slower rate of capital inflow would be better for Canada. They would prefer to see a smaller deficit on current trade and a weaker rate of exchange for the dollar.

But we have a free economy and a free exchange; and wishing is quite different from expecting.

So long as the gentler methods of monetary policy can achieve reasonable restraint, the Government prefers to rely on them.

Cautious thinkers here insist that we must get past Christmas, anyway, before we can feel any confidence that the boom is under control.

Before then, some further price increases are considered inevit-

(Continued on page 3, col. 5)

Contractors 'Too Busy' Pass Up Government Jobs

OTTAWA (Staff) — The Canadian construction industry—fully occupied with private work—is being increasingly choosy about the government's public works contracts.

The squeeze has been making itself felt, officials report, particularly in the last few weeks. The government is finding it increasingly difficult to get a selection of tenders at the sort of prices it expected to pay.

The Financial Post learns that the response to public works tenders this year has fallen to an average of between two and three. Last year the average number of bids for each contract was six.

Closer examination indicates that the over-all average may be misleading, since the response naturally varies according to the nature of the project. On run-of-the-mill public buildings in most areas, the number of bids and the usual run of prices is said to be about normal. But it has become really difficult to get contractors whenever the project is unusually big, or if its location is at all remote or inconvenient, or if it involves difficulties in estimating or requires unusual equipment.

In Brantford, for example, no bids were made on a $1-million job for additions and alterations. In Montreal the Department of Public Works is having difficulty

(Continued on page 3, col. 4)

Japan Arranging for First Shipment of Canadian Oil

Canada's first shipment of crude oil to Japan may be arranged within the next few days.

The proposed 120,000 bbl. tanker shipment of Alberta oil is scheduled to move soon out of Vancouver harbor, the western terminus of the **Trans-Mountain** oil pipeline, for an undisclosed Japanese port. The deal is reported to have been arranged between **Imperial Oil Co.** and a Japanese export-import agency.

Japanese oil refiners must import virtually all their oil requirements. Although bulk of supplies have traditionally come from the Dutch East Indies refiners have recently been shopping farther afield, with imports originating in the Middle and Near East and even the U. S. Gulf Coast. Japan spends more than $200 million a year on crude oil and petroleum product imports.

Several weeks ago a Japanese buying mission visited Toronto to look into possibilities of purchasing Canadian oil. Their conversations with Imperial Oil officials are believed to have resulted in the current shipment. Although this first tanker delivery represents a spot shipment, outlook for further shipments is believed good. Tanker schedules and tariffs are all-important in any oil trade with Japan.

The off-shore tanker shipments which reached a peak of eight in August — looks like seven more for this month — have been a major factor in the capacity operations of the Trans-Mountain oil pipeline during the last month and a half.

The pipeline has been pushing close to 155,000 bbl. daily through its 750-mile Edmonton-to-Vancouver (and Washington state) line for some six weeks now.

By end of the month some 30 tanker shipments in all will have moved out of Vancouver harbor representing a total sales volume of close to 3.6 million bbl. of oil this year to date.

This is an entirely newfound market which didn't exist last year. Practically all of the off-shore shipments have been going to California refineries.

Canadian oil marketing officials are watching developments in the Suez Canal situation very closely.

Any major interruption in Middle East oil deliveries through the Canal would pose a tremendous market and transportation challenge to this country.

U. S., Canadian and Venezuelan supply sources would be called on to make up most of the interrupted oil deliveries to Western Europe.

THE SIGNS AND PORTENTS

COMPANY INTERVIEWERS are coming earlier than ever to college campuses to bid for graduating students. Employment interviewers at U. of Toronto and McGill start in October, as soon as final-year students are settled into fall term, run through early February.

* * *

UNIVERSITY PLACEMENT officials are working out elaborate schedules so that maximum numbers of interviewers and students will see each other. Universities try to post complete lists of interviewing companies so students can wait for all companies in which they'd be interested before choosing. Last year, 189 concerns scoured U. of T. campus; so far, 43 have booked time this year.

* * *

A QUOTE WORTH noting: "In every walk of life, the accumulation of knowledge and the important factors of education and the ability to think have wrought changes that have lifted all men to new hope and inspiration." — Ira G. Needles, president, **B. F. Goodrich Canada Ltd.**

OTTAWA ISN'T thinking of establishing a separate civil aviation ministry like the U. K.'s, although we have 3,148 aircraft to their 1,557. Transport Minister Marler doesn't think he's overworked.

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NEW PUSH will be given Bay of Fundy tidal dam proposal when or if French succeed in world's first such across Rance River in Brittany. Preliminaries now under way. To be about 2,300 ft. long; cost $90 million; produce 800 million kwhr a year. Obstacles: Rance discharge equals Mississippi's; rise and fall 44 ft. (52 at Fundy).

* * *

CANADIAN LABOR CONGRESS will intensify its drive to enrol office workers. Ottawa headquarters won't be surprised if this plus automation makes majority of its members white- instead of blue-collar within a generation.

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OTTAWA WOULD WELCOME both Toronto and Hamilton into the National Harbors Board fold. But both want to stay out. Financing difficulties in the future could drive them in but the Federal Government probably won't cut off occasional subsidies to hurry the process.

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MOUNT VESUVIUS ERUPTION three times (1872, 1906, 1929) has signaled break of a long business boom, notes a U. S. investment service, quoting predictions that another Vesuvius eruption is due in '57. Heartening note for Canadians: 1907 Wall Street collapse wasn't folowed by depression here — western wheat boom carried our economy.

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RUSSIA WILL SUPPORT at least by indirection Canada's bid this fall before the UN to up world territorial water limits from the generally prevailing three miles to 12. Russian Fisheries Minister Ishkov, whose country declared for 12 several years ago, says limits are a nation's own affair.

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THIS TIME NEXT YEAR major army units will be in permanent homes across Canada. Home Station Development Plan will have cost about $35 million. Who's where: Van Doos stay in Quebec, RCR in London, Patricias move to Edmonton. Security wraps cover names of units moving to Calgary, Winnipeg, Petawawa, Gagetown.

* * *

NEWFOUNDLAND'S FERRY, the William Carson, should be running Porte-Aux-Basques to North Sydney in 1958. Size and direction of the breakwater needed will be settled by Christmas. It'll be about 700 ft. long, in water as deep as 35 ft.

* * *

HOUSEHOLDERS' RACE to suburbs could boost number of major Canadian shopping centres to 100 by end of '57 (there was one five years ago). Ontario now has 25 of country's 56, plans 10 more in next 16 months. More than 30 others projected in other provinces with concentration in Quebec, B. C.

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NEW, WORLD-WIDE interest is appearing in rehabilitating physically handicapped. Indicators: (a) rehabilitation was major discussion topic at three recent international medical meetings in Europe; (b) English-language technical publications on subject are being translated, disseminated behind Iron Curtain, in Asia, South America.

Stock Market Highlights

Industrials

Canadian industrial stocks slide downward after brief upward move. However, decline not as steep as in Wall Street, where U. S. politics and Suez problem result in comparatively sharp drop. For details on some of the stocks that moved, see page 4.

Mines and Oils

Mining and oil issues settle into quiet trade with losses in the majority although individual issues step ahead of the pack in brief bursts.

Base metal leaders mildly lower on the week, largely the result of pressure on leaders with buyers staying out of the market.

Western oil and gas issues bounce irregularly with brief bursts of strong advance followed by quick profit-taking and setbacks. For details on some of the stocks that moved, see page 42.